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ADVANCE PROCUREMENT APPROPRIATIONS, 1958



HEARINGS

BEFORE THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

EIGHTY-FIFTH CONGRESS

SECOND SESSION

ON

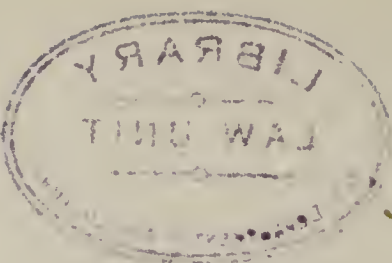
H. J. Res. 588

A JOINT RESOLUTION MAKING ADVANCE PROCUREMENT
APPROPRIATIONS FOR THE FISCAL YEAR 1958,
AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



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ADVANCE PROCUREMENT APPROPRIATIONS FOR 1958

TUESDAY, APRIL 1, 1958

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The committee met at 3:30 p. m., pursuant to call, in room F-37, the Capitol, Hon. Carl Hayden (chairman) presiding.

Present: Chairman Hayden, Senators Ellender, Hill, Robertson, Bridges, Saltonstall, Young, Knowland, Thye, Smith, Dworshak, and Potter.

ADVANCE PROCUREMENT APPROPRIATIONS

BUREAU OF THE BUDGET

STATEMENTS OF R. E. MERRIAM, DEPUTY DIRECTOR; W. F. McCANDLESS, ASSISTANT DIRECTOR FOR BUDGET REVIEW; AND J. P. BRADLEY, ACTING LEGAL ADVISER

GENERAL SERVICES ADMINISTRATION

STATEMENT OF C. D. BEAN, COMMISSIONER, FEDERAL SUPPLY SERVICE

HOUSE JOINT RESOLUTION 588

Chairman HAYDEN. The committee will be in order.

We have convened the full committee this afternoon to consider House Joint Resolution 588, making advance procurement appropriations for 1958.

I will insert in the record a copy of the resolution as it passed the House yesterday as well as a copy of the letter from the President dated March 26 recommending its enactment into law.

(The resolution and letter referred to follow:)

[H. J. Res. 588, 85th Cong., 2d Sess.]

JOINT RESOLUTION Making advance procurement appropriations for the fiscal year 1958, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That for the advance procurement (including advances to supply funds therefor) of supplies, materials, and equipment, not to exceed 50 per centum of each of the amounts set forth in the schedules in the Budget for the fiscal year 1959 (House Document Numbered 266, Eighty-fifth Congress), under each appropriation or fund, for the objects "Supplies and materials" and "Equipment," is hereby appropriated, out of any money in the Treasury not otherwise

appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in the executive branch of the Government (including the District of Columbia), for which appropriations were granted for the fiscal year 1958 and are proposed for the fiscal year 1959: *Provided*, That this paragraph shall not apply to military functions of the Department of Defense.

The appropriations and funds made available under this heading shall be immediately available and shall remain available until (a) the date on which the period of availability terminates for the applicable appropriation or fund provided in the pertinent appropriation Act for the fiscal year 1959, or (b) such earlier date as the pertinent appropriation Act may be passed by either House of Congress without any appropriation, or without provision in the pertinent appropriation or fund, for the objects set forth under the first paragraph of this heading.

Appropriations and funds made available and authority granted under this heading for advance procurement may be used for that purpose, during the fiscal year 1958, without the apportionment which would otherwise be required by subsections (c) and (d) of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), and the amounts made available under this heading shall be charged to the applicable appropriations or funds provided in appropriation Acts for the fiscal year 1959.

Passed the House of Representatives March 31, 1958.

Attest:

Clerk.

[H. Doc. No. 359, 85th Cong., 2d Sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING
A PROPOSAL TO MAKE AVAILABLE FOR OBLIGATION NOW 50 PERCENT OF THE
AMOUNTS ESTIMATED IN THE 1959 BUDGET FOR THE PROCUREMENT OF SUPPLIES,
MATERIALS, AND EQUIPMENT FOR THE VARIOUS CIVILIAN AGENCIES OF THE
EXECUTIVE BRANCH

THE WHITE HOUSE,
Washington, March 26, 1958.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a proposal to make available for obligation now 50 percent of the amounts estimated in the 1959 budget for the procurement of supplies, materials, and equipment for the various civilian agencies of the executive branch.

The purpose of this proposal is to stimulate business activity and employment by permitting civilian agencies of the Government to advance their procurement of such items budgeted for the next fiscal year. This action would not increase Government purchases but would accelerate them.

The details of the proposal are set forth in the accompanying letter from the Director of the Bureau of the Budget and the attachment thereto. I recommend prompt consideration and favorable action by the Congress.

Respectfully yours,

DWIGHT D. EISENHOWER.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 25, 1958.

The PRESIDENT,
The White House.

SIR: Pursuant to your instructions to accelerate Government procurement, I have the honor to submit herewith for your consideration the attached proposed provision making supplemental appropriations for the fiscal year 1958 for the various civilian agencies of the executive branch.

The proposed appropriation provision would make immediately available to the civilian agencies one-half of the amounts estimated in the 1959 budget for supplies and equipment chargeable to 1959 appropriations. The funds thus made available would be used to place orders promptly for supplies and equipment which are needed and are planned for procurement next fiscal year. This action would not change the total of Government purchases, but would alter the timing. This would provide an immediate stimulus to the Nation's economy.

Funds would not be made available for appropriations which are proposed for 1959 but for which detailed estimates were not included in the budget which you transmitted to the Congress in January; thus, no amounts would be made available for items such as the mutual security program, which is dependent upon the enactment of additional legislation. Funds would not be provided for any new agency or appropriation account, regardless of whether detailed estimates were included in the budget, if there was no appropriation for such agency or account in the fiscal year 1958.

This provision would make available in 1958 up to \$840 million, which will ultimately be charged to 1959 appropriations, for items which normally would not be ordered until after the beginning of the new fiscal year on July 1 next. It is expected that the agencies will make the fullest use of these funds to place orders immediately, subject to limitations imposed by the need for seasonal buying, limited storage capacity, and similar factors.

I recommend that the attached proposal be transmitted to the Congress with a request for prompt consideration.

Respectfully yours,

MAURICE H. STANS,
Director of the Bureau of the Budget.

"ADVANCE PROCUREMENT

"For the advance procurement (including advances to supply funds therefor) of supplies, materials, and equipment, not to exceed 50 per centum of each of the amounts set forth in the schedules in the Budget for the fiscal year 1959 (House Document numbered 266, Eighty-fifth Congress), under each appropriation or fund, for the objects "Supplies and materials" and "Equipment," is hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in the executive branch of the Government (including the District of Columbia), for which appropriations were granted for the fiscal year 1958 and are proposed for the fiscal year 1959: Provided, That this paragraph shall not apply to military functions of the Department of Defense.

"The appropriations and funds made available under this heading shall be immediately available and shall remain available until (a) the date on which the period of availability terminates for the applicable appropriation or fund provided in the pertinent appropriation Act for the fiscal year 1959, or (b) such earlier date as the pertinent appropriation Act may be passed by either House of Congress without any appropriation, or without provision in the pertinent appropriation or fund, for the objects set forth under the first paragraph of this heading.

"Appropriations and funds made available and authority granted under this heading for advance procurement may be used for that purpose, during the fiscal year 1958, without the apportionment which would otherwise be required by subsections (c) and (d) of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), and the amounts made available under this heading shall be charged to the applicable appropriations or funds provided in appropriation Acts for the fiscal year 1959."

STATEMENT OF ROBERT E. MERRIAM

Chairman HAYDEN. We have as witness the Deputy Director of the Bureau of the Budget, Mr. Robert E. Merriam, and certain of his associates.

Mr. Merriam, you may proceed to make your statement in support of the resolution.

Mr. MERRIAM. Thank you.

Mr. Chairman and members of the committee, I am pleased to appear before you today in support of House Joint Resolution 588, as passed by the House of Representatives on March 31, 1958, making advance procurement appropriations for the civilian agencies of the executive branch of the Government, including the civil functions of the Department of the Army. This appropriation measure results from the proposal made by the President to the Congress on March 26, which is set forth in House Document No. 359.

PROVISIONS OF MEASURE

This measure would make immediately available amounts, which the agencies potentially could use, up to approximately \$822 million for the procurement of needed supplies, materials and equipment, including trucks, and passenger-carrying motor vehicles for replacement purposes, which normally would not have been procured until after the beginning of the new fiscal year on July 1, 1958. The amounts actually utilized would be considerably less. Nevertheless, this would have the effect of advancing the timing of planned Government purchases without increasing the appropriations for that purpose. The amounts made available would subsequently be charged to the applicable regular appropriations for the fiscal year 1959, after their enactment into law by the Congress.

I shall take time only to outline this measure since its details are well covered in the report of the House committee on the resolution (H. Rept. No. 1583). It would generally make available, for each appropriation affected, an amount equal to one-half of the amounts shown in the schedules in the 1959 budget for supplies, materials, and equipment under the object classes "08" and "09." We have furnished to the staff of your committee a tabulation showing, for each appropriation account, the maximum amount which would be made available. Use of the funds would be limited to direct procurement costs and incidental expenses of procurement are not included.

LIMITATIONS

It would not make funds available for appropriations for which detailed estimates were not included in the President's budget; that is to say, no amounts would be made available for the mutual security program, or for any other programs which are dependent on the enactment of additional legislation. No funds would be provided for any organization or appropriation account if there was no appropriation for such organization or account in the current fiscal year. Also, funds would no longer be available after the regular 1959 Appropriation Act has passed either House without provision for the pertinent appropriation.

Because of the limitations imposed by lack of storage space, the necessity for seasonal buying of certain commodities, and similar factors, it will not be possible for the agencies to make full use of this authority. Also, since the amounts to be made available are necessarily based on the amounts shown in the budget schedules, the Atomic Energy Commission and the Tennessee Valley Authority are not expected to use all of the amounts which technically would be available. In the case of the Atomic Energy Commission, we do not believe it would be entirely feasible to speed up the purchase of uranium. In the case of the Tennessee Valley Authority, the timing of the receipt of their income will affect their ability to accelerate procurement. However, we estimate that these two agencies will be able to obligate a total of \$35 million in the fiscal year 1958.

ESTIMATED OBLIGATIONS

We estimate that a total amount of \$200 million would be obligated during the remainder of this fiscal year, by all of the agencies included.

In addition to granting authority for this advance procurement, the enactment of this measure would allow a general acceleration of the entire procurement effort of the civilian agencies throughout the fiscal year 1959. This proposal complements the President's policy, conveyed to the civilian agencies by the Director of the Bureau of the Budget on March 25, to accelerate procurement in the fiscal years 1958 and 1959 from funds now available and to place orders, to the extent possible, in areas with a substantial labor surplus. This policy is expected to result in the earlier placement of about \$500 million in orders for domestic supplies and equipment during the fiscal year 1958. Altogether, we believe that the effect on the economy will be timely and substantial.

This resolution does not include funds for the military functions of the Department of Defense. The procurement for these objects in the defense area of the budget, particularly in the no-year appropriations, is primarily for long lead-time items of military equipment.

The timing of the procurement of these items necessarily involves military program considerations of substantial magnitude. With respect to procurement under the annual appropriations to the military departments, it is accomplished, for the most part, through the medium of stock funds. We believe these funds now have adequate working capital and obligational authority available to them to maintain the stock levels required for planned operations.

We do not expect that the accelerated Government procurement resulting from these appropriations would necessitate additional appropriations for the fiscal year 1959 beyond those which would otherwise be required. The objective of the administration is to speed up planned procurement of items needed for governmental operations, but not to increase the total requirements.

QUESTION OF WASTE AND INEFFICIENCY IN PROCUREMENT

Chairman HAYDEN. You anticipated in your statement some of the questions I wanted to ask.

If the proposal to make available for obligation now 50 percent of the amounts estimated in the 1959 budget for the procurement of supplies, materials, and equipment for the various civilian agencies is approved, will it result in any waste and inefficiency in the procurement of these items?

Mr. MERRIAM. No, sir.

In our opinion, it would definitely have no such effect, and should not. It would be our intent, Mr. Chairman, should the Congress approve this proposal, through the General Services Administration and through the procurement processes, to make certain that only those things which are needed would be obtained.

Chairman HAYDEN. In other words, do you contemplate an orderly, efficient plan for the obligation of these funds, or will they be obligated in a hit-or-miss fashion?

Mr. MERRIAM. No, sir.

We believe it can be done on an orderly basis. General Services Administration has considered its share of this program already in anticipation of the possibility of developing some regulations to make certain that only those things are bought which are needed.

NEED FOR ITEMS

Chairman HAYDEN. Is there a real immediate need for the items that will be procured, or will the advancement of the procurement result in stockpiling a lot of supplies, materials, and equipment, thereby creating problems of storage and warehouse space, deterioration, et cetera?

Mr. MERRIAM. It is our proposal, Mr. Chairman, that only those items be bought which are needed and which can be utilized within the immediate future. There will not be a stockpiling of items based on a potential future use. In other words, this proposal is based on what we have already said was needed for 1959, and it is only a question of timing as to the procurement.

Chairman HAYDEN. Do you foresee any problems that may be created?

Mr. MERRIAM. No, sir.

We believe this can be done in an orderly manner, in such a way as to expedite the procurement without causing us any after effects.

NECESSITY FOR DEFICIENCY APPROPRIATIONS

Chairman HAYDEN. Can you assure this committee that as a result of this resolution, deficiency appropriations will not be necessary in fiscal year 1959 because of this stepped-up purchasing?

Mr. MERRIAM. Mr. Chairman, if I may, I will say to you the same thing I did to the House committee. I have not been in Washington very long, but I have already learned never to make any positive assurances on any such subject; however, let me say that it is our intent, and we shall do our level best to live up to it, that there be no additional deficiency appropriations because of this enactment.

Chairman HAYDEN. I noticed you stated that the design was to channel these funds into areas of labor surpluses or unemployment.

Now, how do you go about that?

Mr. MERRIAM. If I may, I would like to ask Mr. Bean, who is the Commissioner of the Federal Supply Service of the General Services Administration, to give you that answer. He has already worked out some details on that and can fill in for me.

CHANNELING OF MERCHANDISE INTO LABOR-SURPLUS AREAS

Mr. BEAN. We have an order, Mr. Chairman, which I believe will be signed by the Administrator tomorrow, on channeling merchandise into labor-surplus areas, which will in effect make a set-aside, and we are shooting at a minimum of 50 percent, into labor-surplus areas, and more where it can be done.

The set-aside will go into surplus labor areas and the first call on this will be small business, then it will be big business in the labor-surplus area, and then, if we cannot get the entire amount of goods that are needed in that particular area, then it will go to small business in the non-labor-surplus area.

Where prices are concerned, where you have a set-aside; for instance, if you were to buy a thousand pieces of something and you might set aside 500 for labor-surplus area and 500 for competition, you would then bid; you would take the lowest bidder on the competitive bidding scale and, we will say that that was a dollar, then to small business

in the labor-surplus area you would offer these goods to anyone who wanted to take them.

Senator BRIDGES. In no case would we pay more than the lowest competitive bid for the parts submitted?

Mr. BEAN. That is correct.

Senator ELLENDER. Would the bid be on the whole amount?

Mr. BEAN. The regulations provide if it is a minimum quantity that, of course, we could provide it. It is only if there is a reasonable production run left that we can make a provision.

TYPES OF MATERIAL TO BE PROCURED

Senator ELLENDER. And this is related to supplies only?

Mr. BEAN. That is right; supplies and equipment.

Senator ELLENDER. I would like to be a little specific, if I may.

What type of supplies will be purchased from the appropriations, Department of Defense, "Civil functions," "General investigations," \$200,300, and "Construction, general," \$4,000,000?

Mr. BEAN. Mr. Merriam might answer that better than I.

Senator ELLENDER. That is on page 9.

Mr. MERRIAM. Now, I cannot give you the specific details, Senator, of each of these items.

Senator ELLENDER. Well, will that be for supplies or is it for contractual services?

Mr. MERRIAM. No, sir; this is only supplies and materials and equipment. But it could be equipment the corps purchases for various kinds of uses. It will be office equipment, and the like.

Senator ELLENDER. Yes.

RELATION TO ORIGINAL BUDGET REQUEST

And this is to be in addition to the \$171 million that was only released just recently.

Mr. MERRIAM. No, sir.

Senator ELLENDER. This is in addition [indicating]?

Mr. MERRIAM. This applies only to the amounts that were in the original budget request, so it would be separate from that.

Senator ELLENDER. You mean, original budget, or do you mean for the coming fiscal year?

Mr. MERRIAM. Yes, sir; for the fiscal year 1959.

Senator ELLENDER. Yes.

And it does not take into consideration moneys previously appropriated?

Mr. MERRIAM. No, sir; it does not.

Senator ELLENDER. Then this, in fact, would be in addition to what the civil functions of the Department of Defense was authorized to expend on a recent order from the President?

Mr. MERRIAM. Yes, that was a speedup of the 1958 appropriation.

Senator ELLENDER. I understand. In other words, it was releasing money that had been tied up by the Budget Bureau?

Mr. MERRIAM. Yes, sir; without getting into the details of that, which is a separate subject.

Senator ELLENDER. Yes; which is what it amounts to. I am glad to see that. It should have been done long ago.

EFFECT ON DEFICIT

Senator BRIDGES. May I ask this: The effect it will have is, it will increase the problem of the deficit; will it not? I mean, we have already passed the housing bill, \$1,800 million; and the road bill, \$1,700 million; and now we have this community facilities bill, \$1 billion.

We have increased the debt limit \$5 billion. The President proposed the approximate balance of the budget. This showed a little surplus, but that does not take into account all of the military spending, which was additional. This will push against the debt limit and the deficit; will it not?

Mr. MERRIAM. I think you have to look at it this way. These expenditures were planned and have already been calculated in our 1959 estimates.

Now, it is true that by accelerating procurement you will move some of the expenditures into fiscal 1958 and therefore add to the fiscal 1958 expenditures by that amount. However, you could deduct from the fiscal 1959 expenditures the same amount.

Actually, our calculations are that while we think we could obligate about \$200 million in fiscal 1958 of the 1959 procurement money, actual expenditures in 1958 would run somewhere in the neighborhood of \$50 million. That is actual cash expenditures.

Senator BRIDGES. Now we have before us the 1959 budget. In it are these items which you are asking to accelerate today?

Mr. MERRIAM. Yes, sir.

Senator BRIDGES. Therefore, if this is passed the budget will be affected to that extent; will it not?

Mr. MERRIAM. To the extent that the expenditures are pushed into fiscal 1958, the 1959 expenditures will be less.

METHOD OF HANDLING 1959 ITEMS

Senator BRIDGES. How is this committee, when they pass on the budget, going to know what has been utilized this year and what should not be included in 1959?

Mr. MERRIAM. Well, of course, as you know, you are passing on the appropriation. The appropriation request will remain the same. It will just be that we will credit the actual amount spent against the appropriation after it is enacted, and the amount available to the agency will be the appropriation minus what they have already spent.

So that there is no change in the total.

Senator ELLENDER. Even though we appropriate this money now, it does not affect the debt until it is actually spent.

Mr. MERRIAM. That is correct.

Senator ELLENDER. So you can obligate now, but you will not have to pay out funds until after June 30, thus this year's debt will not be affected.

Mr. MERRIAM. That is correct.

Senator YOUNG. By the time you get around to contract for these items, it will be the midyear or the season of the year when you have the highest employment; and next year, when the bad employment situation comes around in the winter, which you might well have, you would not have as much to place under contract?

Mr. MERRIAM. Well, Senator, of course, this proposal is only a part of a number of suggestions which the administration has made, all of which are based upon the theory that the best effect the Government can have on the present recession is working within the framework of things which are already underway, planned, or going ahead.

This merely moves some of our procurement up to a time when we think the greatest problem may exist.

MOTOR-VEHICLE PROCUREMENT

If I could give you an example: Ordinarily, in the purchase of automobiles and trucks, the procurement plans are scheduled so that they place orders in November and December for delivery in January and February.

Under this proposal, they would place orders in May and June for delivery in July and August.

Now, just in automobiles and trucks alone, a rough estimate is that in the neighborhood of 23,000 civilian vehicles will be purchased next year which would cost approximately \$43 million, and what you would be doing is taking that planned purchase for 1959 and moving it up to May and June.

Senator YOUNG. May and June, which is your best employment period of the year, and next winter when you have the low-employment period again, you will not have much to place on order?

Mr. MERRIAM. Well, the estimates we have, Senator, from our economists are, that by fall and winter, certainly, if not earlier, we are going to see an upturn in this whole unemployment picture, and therefore this is designed to have an effect when it is really needed in terms of the situation as it exists this year.

Senator SALTONSTALL. May I ask just two questions very quickly? Chairman HAYDEN. Certainly.

OVERALL EFFECT OF RESOLUTION

Senator SALTONSTALL. First, the overall effect of this bill would be less than \$200 million, as I read the House report. Is that correct?

Mr. MERRIAM. Our estimate, Senator Saltonstall, is that about \$200 million would be obligated in fiscal 1958.

Now, in addition to that, the effect of accelerating the procurement process will mean that other obligations in fiscal 1959 will be made earlier than they would otherwise have been made, so there is that additional effect.

Senator SALTONSTALL. But it means cash of \$200 million would be spent in fiscal 1958 that otherwise would be spent in 1959?

Mr. MERRIAM. Cash of \$50 million; obligations of about \$200 million.

Senator SALTONSTALL. And the other question is this: You do not intend in this bill to push any articles, or to use the effects of this acceleration scheme where the House report has cut it down, or cut it out; is that correct?

Mr. MERRIAM. No, sir; it would not be applicable in that case.

Senator SALTONSTALL. And you would not intend to use it that way?

Mr. MERRIAM. No, sir.

Senator SALTONSTALL. Thank you.

Chairman HAYDEN. Senator Thye.

Senator THYE. I have no questions.

Chairman HAYDEN. Senator Smith.

Senator SMITH. No questions.

Chairman HAYDEN. Senator Dworshak.

Senator DWORSHAK. There would not be any increased Federal expenditure because of this program, because you are going to apply the competitive bid system as has already been explained? You merely accelerate purchases without increasing the actual cost thereof?

Mr. MERRIAM. Yes, sir; that is right.

As a matter of fact, while I do not think any dollars and cents figure can be put on this, I think it is a proper observation to note that purchases will be made in the summer, when we anticipate the softest market as opposed to the fall and winter months when our hopes are, and expectations are, that you will have an upswing; and therefore a greater civilian demand for goods and supplies of various kinds.

So actually, it could—and I do not know whether Mr. Bean would want to give you any scientific evaluation of this—it could give us a more favorable result.

Senator DWORSHAK. You are not increasing the overall amount, and not expanding the overall purchases beyond the possible justifiable needs of the Government?

Mr. MERRIAM. That is correct, sir.

Chairman HAYDEN. Senator Robertson.

Senator ROBERTSON. From time to time we have had proposals that are directed toward the changing of our procurement rules in favored areas, and there is nothing in this joint resolution on that subject, and I do not know of any other law on the subject that would permit you to spend, say \$800 million, in a way different from the general procurement laws.

Mr. MERRIAM. No, sir; that is correct.

Now, there have been some administrative directions to the extent possible within those rules to funnel these things into areas of substantial surplus labor.

Senator ROBERTSON. If you had been buying a substantial amount of cotton goods, as well as blankets, in the South, and you took all of those orders away for a whole year, you could create some unemployment in another area, and we do not want you, for this temporary recession, to make a major shift in violation of this competitive basis.

What regulations do you refer to by which you can change the law?

Mr. MERRIAM. There are none, Senator. We cannot and would not want to.

Senator ROBERTSON. I just wanted to be clear on that point.

OBLIGATIONS AND EXPENDITURES

Chairman HAYDEN. I notice that on the table on page 37 of the House hearings it is estimated that \$195 million is to be obligated under your resolution, that a total of \$54,300,600 will be expended.

I think it would be well to have this table in the Senate hearings, since it shows how much it is estimated will be expended by each agency.

(The table referred to follows:)

Estimated use of "advance procurement" provision (Bureau of the Budget estimates based upon a preliminary check with major agencies)

	Estimated availability	Estimated	
		Obligations	Expenditures
Executive Office of the President.....	\$110,669	\$90,000	\$50,000
Funds appropriated to the President.....	356,300	140,000	50,000
Independent offices.....	570,596,822	54,540,000	15,990,000
General Services Administration.....	2,061,050	1,150,000	425,000
Housing and Home Finance Agency.....	449,822	430,000	330,000
Department of Agriculture.....	16,611,199	7,300,000	1,875,000
Department of Commerce.....	77,482,805	36,300,000	9,120,000
Department of Defense, civil functions.....	12,320,718	7,550,000	5,500,000
Department of Health, Education, and Welfare.....	11,898,374	5,150,000	520,000
Department of the Interior.....	26,543,717	13,000,000	9,000,000
Department of Justice.....	7,416,229	4,400,000	3,200,000
Department of Labor.....	159,052	150,000	90,000
Post Office Department.....	55,460,564	41,900,000	2,750,000
Department of State.....	3,712,590	3,700,000	1,000,000
Treasury Department.....	29,351,672	15,000,000	3,000,000
District of Columbia.....	7,618,219	4,200,000	1,400,000
Total.....	822,149,802	195,000,000	54,300,000

Mr. MERRIAM. May I just say, Mr. Chairman, that is correct; that is the amount which will be obligated and expended in fiscal 1958.

Senator ELLENDER. Mr. Merriam, are there any items here affecting or related to foreign aid?

Mr. MERRIAM. No, sir.

Senator ELLENDER. It is all domestic.

Mr. MERRIAM. That is correct; yes.

Chairman HAYDEN. Are there any further questions?

Senator POTTER. Mr. Chairman, I am sorry I had to step out during part of the testimony, but I would like to make this comment:

MOTOR VEHICLE PURCHASES

In Mr. Merriam's statement, he makes reference to the purchase of automobiles and trucks. How many automobiles and trucks would be purchased, and how much would be involved?

Senator ROBERTSON. He just said about \$40 million.

Senator POTTER. Was it covered while I was out?

Mr. MERRIAM. Yes, sir.

It would be about \$43 million worth. Just to give you an example as to how it would operate, you may have noted it in the press this morning, or received a copy of the Post Office Department release, indicating that they alone are prepared to order in fiscal 1958, if this suggestion is adopted, about \$11 million for its own procurement program of automobiles and trucks.

Senator POTTER. Now, are they in a position to go ahead and make the contracts as soon as this legislation is passed?

Mr. MERRIAM. They have already announced they are going to solicit bids. Of course, their acceptance depends on the enactment of this legislation.

Senator POTTER. Yes. Well, I will not ask you anything further on that.

Chairman HAYDEN. Senator Thye.

TIME ELEMENT ONLY FACTOR

Senator THYE. That will just merely step up the program several months?

Mr. MERRIAM. That is correct.

Senator THYE. But in the total, the same money would be spent at a later time were it not stepped up?

Mr. MERRIAM. That is correct.

Senator BRIDGES. Mr. Chairman, this is wholly aside from this hearing, and I will ask the reporter that this not be on the record. (Discussion off the record.)

Senator DWORSHAK. On the record.

EFFECT ON ATOMIC ENERGY COMMISSION

Mr. Merriam, in what manner will this accelerated purchase program affect the Atomic Energy Commission?

Mr. MERRIAM. Senator Dworshak, it will have a very small effect on the Atomic Energy Commission because their biggest single item in the procurement area is the uranium purchase, as you know.

Senator DWORSHAK. Will that be accelerated in any way?

Mr. MERRIAM. No, sir; it will not.

Senator DWORSHAK. There is a small obligation of money, though, for the use of the Atomic Energy Commission. How much is it?

Mr. MERRIAM. Well, we figured they would have obligations of around \$20 million in fiscal 1958 as a result of this action.

Senator DWORSHAK. What would that be for?

Mr. MERRIAM. Various types of miscellaneous items.

Senator DWORSHAK. But in no way would it apply to the acquisition of uranium under existing contracts?

Mr. MERRIAM. No, sir; because it is so tied into their whole scheduling program.

Senator DWORSHAK. That would upset their normal program, so you are not including that?

Mr. MERRIAM. That is correct.

Chairman HAYDEN. Senator Young.

FUNDS APPROPRIATED FOR URANIUM PURCHASE

Senator YOUNG. I wanted to ask a question along that same line. How much money is appropriated now for the purchase of uranium?

Mr. MERRIAM. You mean, for fiscal 1959?

Senator YOUNG. Yes.

Mr. MERRIAM. How much is in the recommendation?

Senator YOUNG. Yes.

Mr. MERRIAM. It is about \$640 million requested in fiscal 1959.

Senator YOUNG. How much of that is purchased within the United States, and how much is purchased in foreign countries?

Mr. MERRIAM. I do not have that figure. I can get that for you.

Senator YOUNG. May I have it for the record?

Mr. MERRIAM. Yes.

Senator YOUNG. Are we not paying a higher price in foreign countries than we are here in the United States?

Mr. MERRIAM. I will have to get that for you.

Senator YOUNG. Will you send me a copy of that?

Mr. MERRIAM. I certainly will.

(The following information was submitted:)

The 1959 budget for the Atomic Energy Commission includes \$632 million for the procurement of uranium concentrates and \$8 million for raw uranium ores. All raw uranium ores are procured from domestic sources. We are advised by the Atomic Energy Commission that the source of and average unit prices paid for uranium concentrates delivered to Commission facilities are as follows:

	Percent of total pro- curement (in tons)	Average price per pound for uranium con- centrate
Domestic.....	42	\$9.25
Foreign (Canada 42 percent, overseas 16 percent).....	58	10.73

The prices shown above are affected by a number of factors, such as differences in grades of ore, transportation costs, and variations in foreign-exchange rates.

Chairman HAYDEN. Are there any further questions?

If not, we thank you, gentlemen. The Chair will entertain a motion to report the bill.

Senator ELLENDER. I so move.

Senator BRIDGES. I second it.

Chairman HAYDEN. It was moved and seconded that the bill be made a favorable report to the Senate.

All in favor, say aye.

Opposed, nay.

It is carried.

(Whereupon, at 3:40 p. m., Tuesday, April 1, 1958, the committee adjourned.)



LEGISLATIVE HISTORY

Public Law 85-386
H. J. Res. 588

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- Mar. 26, 1958 House received message from President requesting advance appropriations for procurement of supplies. H. Doc. 359. Print of document.
- Mar. 28, 1958 House Appropriations Committee reported H. J. Res. 588 without amendment. H. Report No. 1583. Print of bill and report.
- Mar. 31, 1958 House passed H. J. Res. 588 under suspension of the rules.
- April 1, 1958 H. J. Res. 588 was referred to the Senate Appropriations Committee. Print of bill as referred.
- Senate committee reported H. J. Res. 588 without amendment. S. Report No. 1432. Print of bill and report.
- April 21, 1958 Senate passed H. J. Res. 588 without amendment.
- April 24, 1958 Approved: Public Law 85-386.

DIGEST OF PUBLIC LAW 85-386

ADVANCE PROCUREMENT APPROPRIATIONS FOR 1958. Provides immediate appropriations to Government civilian agencies of up to 50 percent of the amounts set forth in the Budget for the fiscal year 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 27, 1958
For actions of March 26, 1958
85th-2d, No. 49

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HIGHLIGHTS: Sens. Johnson, Humphrey and Proxmire urged President to sign measure to freeze price supports and acreage allotments. Senate debated road authorization bill. Sen. Kefauver urged transfer of certain functions under Packers and Stockyards Act from USDA to FTC. House received President's request for immediate appropriations to accelerate procurement programs. Rep. Reece commended administration's farm program. House debated independent offices appropriation bill.

HOUSE

1. APPROPRIATIONS. Received from the President a request that Congress appropriate immediately for the civilian agencies of the Government up to 50% of the amounts set forth in the Budget for the fiscal year 1959 for the objects "Supplies and materials" and "Equipment" in order to accelerate planned procurement programs. These amounts would be available in the fiscal year 1958 but would be charged against the appropriations eventually made for the fiscal year 1959 (H. Doc. 359); to Appropriations Committee. p. 4810
2. INDEPENDENT OFFICES APPROPRIATION, 1959. Began debate on this bill, H. R. 11574, with discussion on the lease purchase building program (pp. 4750-1, 4754-5, 4763-4, 4768-71, 4776-8, 4783-91), GSA motor vehicle operations (pp. 4751-2), National Science Foundation activities (pp. 4752-3, 4755-6, 4761-2, 4767-8), VA research (pp. 4757-9, 4762-3), and the Civil Service Retirement fund (pp. 4759-60, 4764-5, 4777-83).

Rejected the following amendments:

By Rep. Taber, 47 to 128, to strike out the \$589 million payment to the Civil Service Retirement fund (pp. 4777-80);

By Rep. Hyde, 52 to 83, to delete a provision in the bill prohibiting the payment of any increase in retirement annuities until Congress appropriates sufficient money to pay for possible deficits in the Civil Service Retirement Fund (pp. 4780-3);

By Rep. Jonas, 106 to 115, to allow the use of appropriated funds to complete lease purchase contracts entered into before July 1, 1958 (pp. 4785-91);

By Rep. Loser, to delete the provision in the bill ending the Lease Purchase program (pp. 4789-90, 4791-2).

3. FARM PROGRAM. Rep. Reece, Tenn., commended the Secretary for "the wise and courageous leadership he has given to basically improve the position of agriculture," and asserted that the farm situation was improving, with farm income per capita the highest on record. pp. 4749-50
4. PERSONNEL. A subcommittee of the Judiciary Committee ordered adversely reported to the full committee H. R. 4757 and H. R. 5267, to grant certain employees of the protection of the Criminal Code against assaults. p. D263
5. STATEHOOD. Rep. Rhodes, Ariz., urged passage of the Alaska statehood bill. p. 4793
6. ROADS. Rep. Cramer inserted tables in the record which he stated showed that "Many of the Governors and their State road boards who are calling most vociferously for further Federal assistance in these months of unusual unemployment are not making full use of the largest public works program in the history of the world." pp. 4794-6
7. LEGISLATIVE PROGRAM. The Daily Digest announced that on Thurs., Mar. 27, the House will further consider H. R. 11574, the independent offices appropriation bill for 1959, followed by H. R. 11645, the Labor and Health, Education and Welfare Departments appropriation bill for 1959. p. D262

SENATE

8. ROADS. Continued debate on S. 3414, the road authorization bill. pp. 4821, 4830, 4831-4907

Rejected by a vote of 41 to 47, an amendment by Sen. Kerr to strike out sec. 12 of the bill providing for the regulation of billboards along the interstate highway system. pp. 4831-88

Agreed to the following amendments:

By Sen. Case, S. Dak., to provide that in reimbursing States for the relocation of utility facilities "Federal funds shall not be reimbursed to any State when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State." p. 4888

By Sen. Mansfield to authorize for forest highways "the additional sum of \$10,000,000 for the fiscal year ending June 30, 1959, and the sum of \$36,000,000 for each of the fiscal years ending June 30, 1960 and June 30, 1961," to authorize for forest development roads and trails "the additional sum of \$13,000,000 for the fiscal year ending June 30, 1959, and the sum of \$34,000,000 for each of the fiscal years ending June 30, 1960 and June 30, 1961," and to strike out the provision relative to the apportionment of the above items which stated that "the apportionment heretofore made by the Secretary of Commerce for the fiscal year ending June 30, 1959, is hereby approved." pp. 4888-93

PROCUREMENT OF SUPPLIES, MATERIALS, AND EQUIP-
MENT FOR THE VARIOUS CIVILIAN AGENCIES OF THE
EXECUTIVE BRANCH

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A PROPOSAL TO MAKE AVAILABLE FOR OBLIGATION NOW 50
PERCENT OF THE AMOUNTS ESTIMATED IN THE 1959 BUDGET
FOR THE PROCUREMENT OF SUPPLIES, MATERIALS, AND EQUIP-
MENT FOR THE VARIOUS CIVILIAN AGENCIES OF THE EXECUTIVE
BRANCH

MARCH 26, 1958.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, March 26, 1958.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of the Congress a proposal to make available for obligation now 50
percent of the amounts estimated in the 1959 budget for the procure-
ment of supplies, materials, and equipment for the various civilian
agencies of the executive branch.

The purpose of this proposal is to stimulate business activity and
employment by permitting civilian agencies of the Government to
advance their procurement of such items budgeted for the next fiscal
year. This action would not increase Government purchases but
would accelerate them.

The details of the proposal are set forth in the accompanying letter
from the Director of the Bureau of the Budget and the attachment

thereto. I recommend prompt consideration and favorable action by the Congress.

Respectfully yours,

DWIGHT D. EISENHOWER.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 25, 1958.

The PRESIDENT,
The White House.

SIR: Pursuant to your instructions to accelerate Government procurement, I have the honor to submit herewith for your consideration the attached proposed provision making supplemental appropriations for the fiscal year 1958 for the various civilian agencies of the executive branch.

The proposed appropriation provision would make immediately available to the civilian agencies one-half of the amounts estimated in the 1959 budget for supplies and equipment chargeable to 1959 appropriations. The funds thus made available would be used to place orders promptly for supplies and equipment which are needed and are planned for procurement next fiscal year. This action would not change the total of Government purchases, but would alter the timing. This would provide an immediate stimulus to the Nation's economy.

Funds would not be made available for appropriations which are proposed for 1959 but for which detailed estimates were not included in the budget which you transmitted to the Congress in January; thus, no amounts would be made available for items such as the mutual security program, which is dependent upon the enactment of additional legislation. Funds would not be provided for any new agency or appropriation account, regardless of whether detailed estimates were included in the budget, if there was no appropriation for such agency or account in the fiscal year 1958.

This provision would make available in 1958 up to \$840 million, which will ultimately be charged to 1959 appropriations, for items which normally would not be ordered until after the beginning of the new fiscal year on July 1 next. It is expected that the agencies will make the fullest use of these funds to place orders immediately, subject to limitations imposed by the need for seasonal buying, limited storage capacity, and similar factors.

I recommend that the attached proposal be transmitted to the Congress with a request for prompt consideration.

Respectfully yours,

MAURICE H. STANS,
Director of the Bureau of the Budget.

ADVANCE PROCUREMENT

For the advance procurement (including advances to supply funds therefor) of supplies, materials, and equipment, not to exceed 50 per centum of each of the amounts set forth in the schedules in the Budget for the fiscal year 1959 (House Document numbered 266, Eighty-fifth Congress), under each appropriation or fund, for the objects "Supplies and materials" and "Equipment," is hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in the executive branch of the Government (including the District of Columbia), for which appropriations were granted for the fiscal year 1958 and are proposed for the fiscal year 1959: Provided, That this paragraph shall not apply to military functions of the Department of Defense.

The appropriations and funds made available under this heading shall be immediately available and shall remain available until (a) the date on which the period of availability terminates for the applicable appropriation or fund provided in the pertinent appropriation Act for the fiscal year 1959, or (b) such earlier date as the pertinent appropriation Act may be passed by either House of Congress without any appropriation, or without provision in the pertinent appropriation or fund, for the objects set forth under the first paragraph of this heading.

Appropriations and funds made available and authority granted under this heading for advance procurement may be used for that purpose, during the fiscal year 1958, without the apportionment which would otherwise be required by subsections (c) and (d) of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), and the amounts made available under this heading shall be charged to the applicable appropriations or funds provided in appropriation Acts for the fiscal year 1959.



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 31, 1958
For actions of March 28, 1958
85th-2d, No. 51

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HIGHLIGHTS: House committee reported agricultural appropriation bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1959. The Appropriations Committee reported without amendment this bill, H. R. 11767 (H. Rept. 1584). p. 5088
Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.
At the end of this Digest are a summary comparison of the Committee actions with the 1959 estimates and with anticipated funds available in 1958, and excerpts from the committee report.
2. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1959. The Appropriations Committee submitted a supplemental report on this bill, H. R. 10589 (H. Rept. 1332, Part 2). p. 5087

3. PURCHASING. The Appropriations Committee reported without amendment H. J. Res. 588, to provide immediate appropriations to Government civilian agencies of up to 50% of the amounts set forth in the Budget for the fiscal year 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs (H. Rept. 1583). p. 5088
4. FORESTRY. Passed without amendment, 218 to 102, S. 3262, to authorize Federal grants to construct Olympic facilities for the 1960 winter games on Forest Service land. Rejected several amendments dealing with the role of the Armed Services in handling the games. This bill will now be sent to the President. pp. 5058-9, 5071-81
5. IMPORTS. Passed without amendment H. R. 11407, to extend for two years the law allowing free importation of personal and household goods brought into the U. S. under Government orders. pp. 5052-3
Passed without amendment H. R. 10112, to make permanent the existing privileges of free importation of guar seed. p. 5053
6. FLOOD CONTROL. Granted the House Conferees on S. 497, the Flood-Control Act of 1958, until midnight, Mar. 28, to file their report. Reps. McGregor, Martin and Fallon discussed the speed with which the committee acted. (p. 5057). The Daily Digest reported: "Conferees, in executive session, agreed to file a conference report on the differences between the Senate and House-passed versions of S. 497, Flood Control Act of 1958." (p. D274).
7. ROADS. Disagreed with the Senate amendment to H. R. 9821, the road authorization bill, and appointed conferees. Senate conferees were appointed Mar. 27. p. 5056
Rep. Curtis, Mass., criticized the increase in the Federal share of matched grants from 50 to 70% of the cost for the \$400 million additional for ABC roads. He stated that such "farm-to-market" roads as might be helped were of "predominantly local interest." p. 5082
8. RECIPROCAL TRADE. Reps. Bailey Hoffman, Kearns, Neal, Bennett (Mich.), and Dorn discussed various aspects of the foreign trade programs and policies of the U. S. pp. 5056, 5083-5.
9. COMMITTEE ASSIGNMENTS. Rep. Westland was elected a member of the Government Operations Committee. p. 5082
10. SOIL BANK. Received from this Department a report on the conservation reserve program of the Soil Bank for 1957. p. 5087
11. INTERNATIONAL ORGANIZATIONS. Received from the State Department the sixth report on the extent and disposition of U. S. contributions to international organizations for fiscal year 1957 (H. Doc. 360). p. 5087
12. RECLAMATION. Received a Mass. Legislature memorial urging Congress and the President to enact legislation expanding the use of artificial irrigation. p. 5089
13. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., Mar. 31, the House would consider H. J. Res. 588, to accelerate expenditures for planned procurement programs through advance purchases by Government agencies against eventual 1959 appropriations, to be followed by consideration of H. R. 10589, the general Government matters appropriation bill for 1959, and S. 1740, to authorize payment from the Employees' Life Insurance Fund of expenses incurred by the CSC in assuming and maintaining the assets and liabilities of certain

ADVANCE PROCUREMENT APPROPRIATIONS, 1958

MARCH 28, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

MR. CANNON, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. J. Res. 588]

The Committee on Appropriations submits the following report in explanation of the accompanying House Joint Resolution No. 588, making advance procurement appropriations for the fiscal year 1958, and for other purposes.

This Joint Resolution is based on the recommendation from the President as contained in House Document 359. It is identical in wording to the language suggested by the President. And as he requested, it has been given prompt consideration. It was submitted on March 26. Hearings were held on March 27 with officials of the Executive Branch.

PURPOSE OF THE RESOLUTION

The purpose of the proposal, as explained in the President's recommendations, is to stimulate business activity and employment by permitting civilian agencies of the Government to advance their procurement of supplies, materials, and equipment budgeted for the next fiscal year. This action, the message states, would not increase Government purchases but would accelerate them and would make available in 1958 up to \$840 million for items which normally would not be ordered until after the beginning of the new fiscal year on July 1 next.

SCOPE OF THE PROPOSITION

The language of the proposition is essentially self-explanatory. In general, it will appropriate not to exceed 50 percent of the amounts included in the 1959 Budget estimates for "Supplies and materials" and "Equipment" for the several departments and agencies in the executive branch, including the District of Columbia, except those for military functions of the Department of Defense and the Mutual Security program. It does not involve the Legislative and Judicial branches. It does not include any appropriation or activity not in existence in 1958 or not provided for in the detailed schedules in the Budget for 1959, or not included in the applicable appropriation act as passed by either House.

The Mutual Security program was omitted because continuing legislation has not been enacted and detailed budget estimates are not in being. Military functions of the Department of Defense were omitted for the principal reason that substantial billions are presently available in continuing-type appropriations and the Committee is advised that some steps have already been taken to accelerate defense contracting.

It involves a limited part of the funds in regular appropriation bills for 1959 which have been passed by the House and in others now pending in the Committee.

As the language clearly shows, whatever is appropriated by the Joint Resolution will ultimately be charged to the 1959 appropriations when they become available in the regular course of business. Thus, it does not involve additional expenditure over and above the 1959 budget.

The printed hearings contain a detailed list of the agencies, and the appropriations and funds, which the Executive Branch advises would be covered by the Joint Resolution. The dollar amounts shown opposite each item are on a 100 percent basis, i. e., the figures included in the budget for 1959. The Joint Resolution takes in "not to exceed" 50 percent, or one-half of each figure.

That list, on a 100 percent basis, totals \$1,644,299,603, one-half of which comes to \$822,149,802, which differs slightly from the \$840,000,000 figure used by the President, due to necessary subsequent refinements.

As discussed below, and as the testimony clearly and indisputably shows, the effective dimensions of this proposition are materially less than the \$840,000,000 figure—in fact, the testimony indicates that obligations that can be made in fiscal 1958, which means in the next 90 days, will not exceed \$200,000,000, or less than one-fourth of the \$840,000,000.

COMMITTEE COMMENTS AND OBSERVATIONS

So far as is known, the proposition presented is unprecedented in the history of the American Government. Never before has the Congress been called upon to make blanket appropriations, practically Governmentwide, available for obligation and expenditure 3 months before the beginning of the fiscal year to which they relate, and when only 1 regular 1959 supply bill has gone to the White House, and several major bills for 1959 have not yet been processed by the House. Essentially, it lifts pages from the 1959 budget and moves them forward to 1958.

Nevertheless, in view of the serious unemployment and adverse business situation confronting the country, with over 5,000,000 people out of work, the Committee is recommending approval of the proposal as submitted by the President. In so doing, the Committee has in mind that the House, only 9 days ago, adopted, practically unanimously, two resolutions (House Concurrent Resolutions 285 and 286) embodying the view that the Executive Branch should accelerate, to the greatest extent practicable, the expenditure of previously appropriated funds for civil public works and military construction programs. Thus, these two resolutions urged acceleration of expenditure of funds previously appropriated while the accompanying Joint Resolution would advance the appropriation and accelerate the expenditure of funds otherwise proposed for appropriation in the next several weeks.

But in submitting this Joint Resolution to the House, it is important that the picture be put in focus and the dimensions of this proposition be clearly outlined. As noted, the President advises that "up to \$840 million" would be lifted from the 1959 budget and brought forward 90 days, and that the agencies will make the fullest use of these funds to place orders immediately, "subject to limitations imposed by the need for seasonal buying, limited storage capacity, and similar factors". The time was not available to exhaustively and minutely examine the hundreds of items involved, some rather nominal in amount, but the testimony is unmistakable, and the House should clearly understand, that nowhere near \$840 million will be contracted or expended from these 1959 items in the next 90 days. The educated guess given to the Committee is approximately \$200 million, not "up to \$840 million." Detailed examination of many of the smaller items might possibly reveal other bases for assessing validity of the total, but just two items, aggregating \$449 million, or about 53 percent of the "up to \$840 million" becomes, upon analysis, a mere \$35 million in terms of real acceleration.

One of these items is \$368 million (50 percent of \$736 million shown in the hearings) under the operating expense budget of the AEC. Analysis discloses that \$348 million thereof is planned for continuation of purchases of uranium ores and concentrates and other special atomic materials under existing long-term contracts. This figure is used in arriving at the "up to \$840 million" which would supposedly be obligated in the next 90 days. Since deliveries of these materials come to the Commission from mills already under contract and based on existing capacity, very little, if anything, could be done to advance deliveries budgeted for the next fiscal year. As a matter of fact, the witnesses finally estimated that only \$20 million of the \$368 million cited could be obligated in fiscal year 1958 and only \$2 million could be expended.

The remaining \$81 million of the aforementioned \$449 million represents TVA corporate funds according to the tabulation supplied. As a matter of fact, TVA has already programmed all of its corporate income for both fiscal years 1958 and 1959 and is drawing down its reserves to \$12 million in 1959. It is difficult to envision even \$15 million additional obligation and \$3 million expenditures in the next three months, but those are the amounts offered as the best estimate the Budget Bureau could come up with.

Thus it is clear that the overall dollar magnitude of the proposal is substantially deflated by these agreed facts. The Joint Resolution is nonetheless submitted with the hope that it may be of help in abating the present serious situation but with the candid expectation that it probably will not go very far in that direction.

○

85TH CONGRESS
2D SESSION

H. J. RES. 588

[Report No. 1583]

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 1958

Mr. CANNON introduced the following joint resolution; which was referred to the Committee on Appropriations

MARCH 28, 1958

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

JOINT RESOLUTION

Making advance procurement appropriations for the fiscal year 1958, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That for the advance procurement (including advances to
4 supply funds therefor) of supplies, materials, and equipment,
5 not to exceed 50 per centum of each of the amounts set
6 forth in the schedules in the Budget for the fiscal year 1959
7 (House Document Numbered 266, Eighty-fifth Congress),
8 under each appropriation or fund, for the objects "Supplies
9 and materials" and "Equipment," is hereby appropriated,
10 out of any money in the Treasury not otherwise appro-
11 priated, and out of applicable corporate or other revenues,

1 receipts, and funds, for the several departments, agencies,
2 corporations, and other organizational units in the executive
3 branch of the Government (including the District of Colum-
4 bia), for which appropriations were granted for the fiscal
5 year 1958 and are proposed for the fiscal year 1959: *Pro-*
6 *vided*, That this paragraph shall not apply to military func-
7 tions of the Department of Defense.

8 The appropriations and funds made available under this
9 heading shall be immediately available and shall remain
10 available until (a) the date on which the period of avail-
11 ability terminates for the applicable appropriation or fund
12 provided in the pertinent appropriation Act for the fiscal year
13 1959, or (b) such earlier date as the pertinent appropria-
14 tion Act may be passed by either House of Congress with-
15 out any appropriation, or without provision in the pertinent
16 appropriation or fund, for the objects set forth under the first
17 paragraph of this heading.

18 Appropriations and funds made available and authority
19 granted under this heading for advance procurement may be
20 used for that purpose, during the fiscal year 1958, without
21 the apportionment which would otherwise be required by
22 subsections (c) and (d) of section 3679 of the Revised

1 Statutes, as amended (31 U. S. C. 665), and the amounts
2 made available under this heading shall be charged to the
3 applicable appropriations or funds provided in appropriation
4 Acts for the fiscal year 1959.

85TH CONGRESS
2d Session

H. J. RES. 588

[Report No. 1583]

JOINT RESOLUTION

Making advance procurement appropriations
for the fiscal year 1958, and for other pur-
poses.

By Mr. CANNON

MARCH 28, 1958

Referred to the Committee on Appropriations

MARCH 28, 1958

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

MARCH 31, 1958

16. TEXTILES. Sen. Johnston blamed current conditions in the textile industry to "the flood of textiles from Japan," and urged the Administration to provide aid for the textile industry. pp. 5167-68

HOUSE

17. APPROPRIATIONS. Passed under suspension of the rules H. J. Res. 588, to allow Federal agencies to purchase up to 50% of the materials and supplies budgeted in their 1959 estimates, in order to accelerate expenditures. pp. 5183-5

Continued debate on H. R. 10589, the general government matters appropriation bill for 1959 (pp. 5199-5204). Adopted an amendment by Rep. Gross to forbid the use of any Federal funds for "publicity of propaganda purposes designed to support or defeat legislation pending before Congress" (p. 5204).

~~Repealing H. R. 11645~~, the Labor-HEW appropriation bill, (see Digest 50) the committee made comments as follows:

Mexican farm labor. "...last year it was obvious from the debate that a great many Members felt that if the program were continued at all it should be fully paid for by those growers who receive the benefits of the program. ... While logical arguments can be made for the growers bearing the entire cost of this program through the revolving fund into which their fees are paid, it appears to the Committee that the activity for securing compliance with contract provisions should not be so financed. To do so, would be placing the employees who are policing the program in the position of being dependent, upon fees paid by those being policed, for their salaries."

18. PUBLIC WORKS. Received the conference report on S. 497, the rivers and harbors and flood control bill (H. Rept. 1588). pp. 5185-99

19. RETIREMENT. Passed with amendment S. 72, to increase the annuities of certain Civil Service annuitants, after substituting the language of H. R. 607, which had been passed with an amendment (pp. 5204-23). Accepted Rep. Murray's amendment to extend the date for an option of choice to Jan. 1, 1959, instead of Jan. 1, 1958 (p. 5220), and accepted the Committee amendments (p. 5222). Rejected two amendments by Rep. Broyhill, to insert the Senate-approved language of S. 72 (pp. 5216-18) and to remove the total \$4,104 annuity limitation (pp. 5218-19), and an amendment by Rep. Hyde to remove the \$1,200 limitation on earned income (pp. 5220-22).

20. LIFE INSURANCE. Passed as reported S. 1740, to authorize the payment from the Employer's Life Insurance Fund of expenses incurred by CSC in assuming and maintaining the assets and liabilities of certain beneficial associations. pp. 5223-5

21. LOANS. The Agriculture Committee ordered reported H. R. 11424, to extend until 1961 the authority of the Secretary to extend special livestock loans. p. D280

22. WATERSHEDS. The Agriculture Committee approved "a watershed project in the respective States of New Mexico, New York, Wisconsin, and Oklahoma." p. D280

23. ROADS. Rep. Davis was appointed to take the place of Rep. Jones, Ala., as a conferee on H. R. 9821, the road authorization bill. p. 5183

24. FOREIGN TRADE. Rep. Lesinski discussed the relative importance of foreign trade in his constituency, and concluded that "the facts show that foreign trade programs benefit all." pp. 5225-6

25. FEDERAL AID. Rep. Keating criticized certain States for failing to use sums granted them by the Federal Government while asking for more money to solve unemployment problems. pp. 5227-8

26. REPORTS. Received from the Justice Department a report of their activities for fiscal year 1957. p. 5244
27. ACCOUNTING. Received a Calif. Legislature memorial on "Federal accounting practices." p. 5245

ITEMS IN APPENDIX

28. EXPENDITURES. Extension of remarks of Rep. Alger inserting his weekly newsletter commenting on the amounts appropriated recently by Congress and stating, "the economy drive is long forgotten." p. A3022
29. BUILDINGS. Extension of remarks of Rep. Bass inserting an editorial, "Eisenhower Lease-Purchase Gets Ax It Has Deserved," and stating that "It is my opinion that this article clearly points out the disadvantages and failure of the lease-purchase program." pp. A3022-3
30. FOREIGN AID. Extension of remarks of Sen. Robertson inserting an article commenting on the proposal of Sen. Monroney, to finance foreign economic aid through the International Development Ass'n rather than by Government appropriations. p. A3023
31. FARM PROGRAM. Extension of remarks of Sen. Neuberger inserting a letter to the editor and stating that "it points out, quite correctly, that Government subsidies do not reach three-fourths of all the farms in the country." pp. A3026-7
- Rep. Goss inserted an editorial urging the President to approve the measure to freeze price supports and acreage allotments. p. A3030
- Rep. Cunningham inserted R. K. Bliss', Extension Service, Iowa State College, radio talk, "Our Changing Agriculture." pp. A3031-2
- Extension of remarks of Rep. O'Konski criticizing the veto of the freeze measure and stating, "The hucksters who inspired this veto will be noted for urging billions for people all over the world, but would not spend \$15 million to increase income for dairy farmers by \$250 million." p. A3055
32. FOREIGN TRADE. Extension of remarks of Rep. Boggs inserting an article reviewing the various provisions of the Trade Agreements Act. pp. A3044-5
33. ELECTRIFICATION. Extension of remarks of Rep. Mason stating that "25 years ago the greatest 'milking-machine' in the history of the Nation was set up-- the Tennessee Valley Authority," and inserting an editorial on this subject. pp. A3057-8

BILLS INTRODUCED

34. SURPLUS COMMODITIES. S. 3577, by Sen. Hill (for himself and Sen. Scott, and H. R. 11791, by Rep. Metcalf, to authorize the Secretary of Agriculture to provide varied commodities to schools and institutions and for needy persons and families out of funds appropriated for diversion of surplus agricultural commodities; to Agriculture and Forestry Committee and Agriculture Committee. Remarks of Sen. Hill. pp. 5096-7. Remarks of Rep. Metcalf. pp. 5226-7
35. APPROPRIATIONS. S. 3578, by Sen. Mansfield, to prohibit the withholding or impoundment of appropriations; to Government Operations Committee.

House of Representatives

MONDAY, MARCH 31, 1958

The House met at 12 o'clock noon.

Rev. Francis Czerniawski, of Cohoes, N. Y., offered the following prayer:

Our God and Father, Almighty Creator of the universe, who endowed all peoples with love of their countries and freedom, help us to understand, on the 40th anniversary of Byelorussian independence, that only freedom under Thee will lead our country and its people to happiness. We implore Thee, be merciful to us, to our people and our homeland, Byelorussia, which suffers in slavery. Restore our liberty and prosperity that we in freedom may glorify Thy holy name.

Bless this, our beloved country, the United States of America. Inspire, protect, and guide our statesmen leaders that the light of freedom may always burn brightly in the hearts of the United States and the flame spread to engulf all nations and peoples.

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on earth as it is in heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive those who trespass against us; and lead us not into temptation; but deliver us from evil.

Amen.

THE JOURNAL

The Journal of the proceedings of Friday, March 28, 1958, was read and approved.

CORRECTION OF RECORD

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to correct the permanent RECORD of Friday, March 28, 1958, in two instances.

First on page 5073 in the third column, the name "Georgio" should be changed to "DiGiorgio."

Second, toward the middle third of the second column on page 5075, the name "Hall" should be changed to "Hale" and the name of the "Broadway-Hall" Stores should be changed to "Broadway-Hale" Stores.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFEREES ON H. R. 9821

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that I may be excused as a conferee on the bill H. R. 9821, which has been sent to conference, and that the Speaker be authorized to appoint a substitute in my place.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Tennessee [Mr. DAVIS] to serve as conferee, and the Senate will be notified of the action taken.

SHIPPING ARMS TO CUBA

(Mr. PORTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PORTER. Mr. Speaker, last Wednesday in a special order I called, as others have called, on our Government to stop shipping arms to Cuba. I pointed out that our arms were being used in violation of treaties between us and Cuba and were identifying us with the vicious police state ruled by Batista.

Today the State Department has made available to me a statement which declares we have, finally, suspended shipments of arms to Cuba. It is a fine statement, another sign of a new and better Latin American foreign policy:

In authorizing shipments of arms to other countries under the mutual security program, it has been our consistent practice to weigh carefully those consigned to areas where political tensions have developed. We wish to be assured, for example, that the arms are destined for uses consistent with the objectives of our mutual security legislation. The shipment of 1,950 Garand rifles, purchased by the Cuban Government, was temporarily suspended to allow us the opportunity of consulting further with the appropriate Cuban officials.

As for the situation in Cuba, it is a matter of sympathetic concern to all of us as friends and neighbors. It would be entirely contrary to our policy to intervene in its internal affairs and we do not intend to become involved. We do hope the Cuban Government and people themselves will soon find a peaceful and democratic solution. They are the only ones who can, as well as being the only ones who should, resolve the issue.

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. VANIK'S remarks will appear hereafter in the Appendix.]

CORRECTION OF ROLL CALL

Mr. NEAL. Mr. Speaker, I ask unanimous consent to correct the RECORD on roll call No. 4. I am reported as not present. I was present and voted on that date, and I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE STORY OF FREE ENTERPRISE

(Mr. ALGER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ALGER. Mr. Speaker, how many of you recall that as youngsters any early symptom of illness was the signal for your mother to begin concocting some fearful brew—her special remedy for whatever might ail you. As I survived each childhood sickness, my mother's faith in the efficacy of her cure-all grew indestructible.

Bless her heart, she was trying; but it occurred to me that my God-given constitution was a marvelous thing. With its built-in recuperative powers, it could not only cope with the ordinary ills which beset a fellow, but it could overcome the additional handicaps imposed by these foul, but well-intentioned ministrations.

What of our economic ills? Unfettered, our free enterprise system can react promptly and forcefully to correct any malfunction in its own operation. But we have been subjecting this system, the envy of the world, to a lot of political home remedies for a good many years now. Thus far it has survived its own inherent ills, in spite of the galloping inflation, overwhelming debt and taxation, and crippling restrictions resulting from liberal doses of political remedies. But can we not create difficulties, insurmountable even by this wonderful system which has given us so much?

It strikes me that free enterprise might be likened to the two powerful and healthy mules which were laboring heavily to pull a wagon along a dusty country road. By way of being helpful, the fellow on the wagon seat was yelling imprecations and lustily swatting their already straining hindquarters.

Finally, the driver pulled his sweating team to a halt beside a man sitting on a fence and asked, "Pardner, how long is this durn hill anyway?"

The bystander eyed him reflectively for a moment, spat, and said, "Fellow, you ain't on no hill—your hind wheels is off."

ADVANCE PROCUREMENT APPROPRIATIONS, 1958

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations, and under consent previously secured, I move to suspend the rules and pass the resolution (H. J. Res. 588) making advance procurement appropriations for the fiscal year 1958, and for other purposes.

The Clerk read the title of the resolution.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, suspension of the rules of the House is an extraordinary parliamentary recourse. It is a drastic procedure, and in a sense is a bit unfair, because it cuts off the right of debate and precludes the offering of amendments. Accordingly, it is resorted to only in extraordinary cases.

But this is an extraordinary occasion, Mr. Speaker; we are in the midst of a depression. It is sincerely to be hoped that we have reached the bottom and are now on the way back up, but without exception all reports received in this morning's mail from the various weekly reporting agencies are gravely conservative. Here are quotations from some of the most authoritative of this morning's reports:

All recession signs are a little bit worse.

The facts about the recession are not good.

Recession has now reached a stage when it touches consumers.

Both sides have underestimated the nature and probable extent of the downslide.

Repossessions are showing an upturn, reflecting unemployment and reduced-income problems.

Things are getting rough. The psychology of the recession is feeding the recession.

No sudden upturn can be expected merely as result of money ease or tax cuts.

Corroborating these estimates, unemployment is rising. Business activity has slackened. The cost of living is pricing consumers out of many markets. And the deficit for the fiscal year 1959 is estimated by the reporting agencies from a low of \$3 billion to as much as \$16 billion.

To meet this situation the President transmitted to Congress on March 26 a message recommending that not to exceed 50 percent of the amounts included in the 1959 estimates, for supplies, materials, and equipment for the departments be made immediately available for expenditure. The Department of Defense, the mutual security program, and the legislative and judicial branches of the Government were not included.

These expenditures are to be charged to the 1959 appropriations when made, and do not involve additions to the 1959 budget.

The purpose is to advance expenditures by 90 days in order to accelerate business activity and reduce unemployment.

Immediately upon receipt of the message a special subcommittee was appointed consisting of members of all subcommittees which have not yet reported.

Hearings were held the next morning and have been printed and are now available at the desk. In the hearings it developed that the estimate of \$840 million dollars referred to in the message could not be provided under the plan proposed and eventually the representative of the Bureau of the Budget con-

ceded that the outside amount of possible expenditures under the program could not exceed \$200 million, a little less than one-fourth of the amount indicated in the message.

Other questions arose and doubt was expressed as to whether supporting the markets in this manner would effect a remedy. If buying is to be encouraged prices must be reduced. And unseasonable purchases firm prices rather than reduce them.

Furthermore, if money is provided to buy 90 days in advance, what will be the effect on the market when these purchases would normally have been made and there are no funds to provide the routine expenditures. Would not a flood of expenditures 90 days in advance produce a drought at the time the money would normally have been spent?

But the subcommittee and the committee are anxious to cooperate with the President in any recommendation to remedy the situation and have reported out the joint resolution in the exact language submitted in the message and unanimously recommend its prompt adoption by the House without amendment.

Mr. Speaker, in order to remedy a depression we must necessarily consider the cause of the depression. And while I hesitate to quote statistics I desire to submit three figures which explain concisely and briefly the cause of the situation in which we find ourselves.

The total amount of the taxes collected by the United States Government from 1792 in Washington's administration to 1948 was \$316 billion. From 1948 to 1953 the amount collected was \$247 billion. And from 1953 to 1958 the amount collected and spent was \$366 billion.

Here it is in tabulated form:

	Billion
Jan. 1, 1792, to Jan. 1, 1948-----	\$316
Jan. 1, 1948, to Jan. 1, 1953-----	247
Jan. 1, 1953, to Jan. 1, 1958-----	366

From 1792 to 1948, a period of 156 years, we fought all our victorious wars, the War of 1812, the Mexican War, the Civil War, the Spanish American War and both world wars—for \$316 billion. Then from 1948 to 1953, a period of 5 years we collected—and spent \$247 billion, although we did pay something on the national debts, and we fought the Korean war. But from 1953 to 1958, a like period of 5 years we collected—and spent more than \$366 billion and increased the national debt.

And let me emphasize the fact, Mr. Speaker that the increases were in non-defense items. Not only did we collect—and spend—the largest amount of money that ever flowed into the treasury of any nation in the world but we spent money we did not have for things we could have done without. Our bonds went down and our national debt went up. The purchasing power of the dollar went down and the cost of living went up.

The reckless, profligate, irresponsible spending of these last years of these vast amounts is without parallel in history. We should have reduced expenditure and reduced the public debt and supported our bonds and laid away something for the rainy day. But like the grasshopper

which sang and danced in the summer sun, heedless of the future, we increased expenditure as fast as revenues increased when any sane man knew that the money trees could not bloom forever.

Instead of using this golden stream of new revenue to curtail expenditure and control inflation we spent it as fast as it came in—and more.

Today the dollar is so depreciated and the cost of living so high that children go hungry to bed.

This administration is responsible for recommending and countenancing these prodigal expenditures. And this Congress is responsible for appropriating the billions of extra dollars that should have been applied on our debts.

And that is why we are here considering this extraordinary motion to suspend the rules and attempt something of which no previous administration or previous Congress has ever dreamed of doing before.

Mr. TABER. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, this is a motion to suspend the rules to permit the advance procurement of items covered for supplies, materials, and equipment up to 50 percent of the total of each item in each bill that is appropriated for the fiscal year 1959 in advance of the 30th day of June 1958.

The total amount that could be spent in this way is set forth at page 37 of the hearings—\$195 million. Some of the agencies would not be able to procure any more goods, no matter what they did, than they are able to procure now in the line of supplies, materials, and equipment. Others could spend a considerable amount.

For instance, among the independent offices it would run \$54.5 million. In the Department of Agriculture it would run \$7 million. In the Department of Commerce it would run \$36 million; in the Department of the Interior \$13 million; in the Post Office Department \$41 million; and in the Treasury Department \$15 million. There are many other items, but they are smaller.

This is a bill which is designed to start the wheels moving to a certain extent on some things. Undoubtedly it will place more money in circulation in the period between now and June 30 than would be placed in circulation by all four of what have been called the major groups that would call for money out of the Treasury. I name those four groups: First, the stepped-up operations of the Bureau of Reclamation; second, the stepped-up operations of the Civil Functions Agency; third, the stepped-up operations of the Public Buildings Administration; and fourth, the stepped-up operations of the highway construction program. It probably is of more value from the standpoint of maintaining prices and putting a little money in circulation than anything else that we have had to consider. But frankly, I do not belong to that school which believes that we can help get out of a depression in that way, if this is a depression.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. GROSS. Apparently the Appropriations Committee as a whole shares that view because I read on page 4 of the report, if the gentleman will permit:

Thus it is clear that the overall dollar magnitude of the proposal is substantially deflated by these agreed facts. The joint resolution is nonetheless submitted with the hope that it may be of help in abating the present serious situation but with the candid expectation that it probably will not go very far in that direction.

Mr. TABER. As I said, it will go farther than the four items that have been talked about.

Mr. GROSS. That is right.

Mr. TABER. Because it will come out more quickly, and it will be for things that can be delivered more quickly and paid for more quickly.

Mr. GROSS. If the gentleman will yield further, I just wonder if there should be something in the title of the joint resolution to the effect that this is a tongue-in-cheek proposition?

Mr. TABER. It is a proposition on which probably the Congress could not afford to say no to the President. At the same time these are not items that are going to relieve unemployment, or anything of that character.

The thing is just about this way. It takes to get highway construction under way anywhere from 6 to 15 months, depending on the size of the job. To get public buildings under construction, unless your plans are already detailed and contracted, it takes from 10 to 15 months. To get increased progress on reclamation projects it takes at least 4 or 5 months before they can do much. On civil functions, with the single exception of these dredging jobs on harbors and rivers, it takes anywhere from 8 to 15 months to get started. You can move them up a little after they start but you can not move them too much.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. May I say I intend to support this resolution, but I certainly join the gentleman from New York presently addressing the House in saying that I doubt that this is going to have the effect some people think it will.

Mr. TABER. I think it will have the effect most folks think it will; that is about as far as I can go.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. May I inquire of the gentleman from New York if it is not the fact that at least to some extent this legislation will have an effect on the automobile industry in Detroit and other places by providing for the early and immediate purchase of automobiles for various Government agencies.

Mr. TABER. I expect it will have some effect. Maybe it will run up to 800 to 1,000 automobiles; I do not believe much more.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. In the bill itself it is stated "that this paragraph shall not apply to military functions of the Department of Defense." In the report and in the remarks of the gentleman from Missouri, reference was made to the military functions under the mutual-security program, and the legislative and judicial branches. Is it intended to offer an amendment to the bill in its printed form in which we have it to cover these other departments?

Mr. TABER. No amendments can be offered under suspension.

Mr. KEATING. I wondered if the suspension was with an amendment.

Mr. TABER. No; it is not. It embodies the language which was sent up.

Mr. KEATING. I fail to understand the justification in the report for the statement that it does not involve the legislative and judicial branches. There may be some explanation which I do not understand about it.

Mr. TABER. If the gentleman will refer to page 37, he will see that those things are left out insofar as the estimates of where the present money would come from. The language of the bill probably would not prevent anything except the actions relating to military functions of the Department of Defense.

Mr. KEATING. I understand. I thank the gentleman.

Mr. LIPSCOMB. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. LIPSCOMB. By passing this joint resolution and giving 50 percent of the advance payment to the departments, are we giving them permission to spend from budgets the Appropriations Committee or the Congress has not had an opportunity to work on as yet?

Mr. TABER. It does where budgeted.

Mr. LIPSCOMB. In other words, this joint resolution will not be effective until these budgets are passed by the Congress?

Mr. TABER. This bill applies to the budget estimates before the Congress.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman again yield?

Mr. TABER. I yield.

Mr. ROONEY. Relative to the colloquy a few moments ago between the distinguished gentleman from New York and the Member presently addressing the House, I should like to call attention to the fact that at page 19 of the committee hearings there is testimony by Robert E. Merriam, Deputy Director of the Bureau of the Budget, that with regard to civilian and truck vehicles, in fiscal year 1959, their total budget proposals are to buy somewhere in the neighborhood of 23,000 vehicles at a cost of approximately \$43 million.

Mr. TABER. That would probably be a couple of weeks' work for the automobile factories.

Mr. LIPSCOMB. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. LIPSCOMB. By the passage of this resolution, the Committee on Appropriations is not giving any of its prerogatives to the executive branch to spend money without control; is that not a fact?

Mr. TABER. No, because they can spend only 50 percent of the budget estimates for these particular things, and that is supplies, materials, and equipment.

Mr. LIPSCOMB. I thank the gentleman.

Mr. TABER. Mr. Speaker, I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, unless the gentleman from New York desires further time, I have no further requests for time and I ask for a vote.

The SPEAKER. The question is on suspending the rules and passing the joint resolution.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

On motion of Mr. CANNON (and by unanimous consent) a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

COMMITTEE ON PUBLIC WORKS— S. 497

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a conference report on the bill, S. 497.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 1588)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE 1—RIVERS AND HARBORS

"SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law Numbered 14, Seventy-ninth Congress, first session), shall govern with respect to projects authorized

in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

"Navigation"

"Salem Harbor, Massachusetts: House Document Numbered 31, Eighty-fifth Congress, at an estimated cost of \$1,100,000;

"Boston Harbor, Massachusetts: House Document Numbered 349, Eighty-fourth Congress, at an estimated cost of \$720,000;

"East Boat Basin, Cape Cod Canal, Massachusetts: House Document Numbered 168, Eighty-fifth Congress, at an estimated cost of \$360,000;

"Bridgeport Harbor, Connecticut: House Document Numbered 136, Eighty-fifth Congress, at an estimated cost of \$2,300,000;

"New York Harbor, New York: Senate Document Numbered 45, Eighty-fourth Congress, at an estimated cost of \$1,678,000;

"Baltimore Harbor and Channels, Maryland: House Document Numbered 86, Eighty-fifth Congress, at an estimated cost of \$28,161,000;

"Herring Creek, Maryland: House Document Numbered 159, Eighty-fourth Congress, at an estimated cost of \$110,000;

"Betterton Harbor, Maryland: House Document Numbered 333, Eighty-fourth Congress, at an estimated cost of \$78,000;

"Delaware River Anchorages: House Document Numbered 185, Eighty-fifth Congress, at an estimated cost of \$24,447,000;

"Hull Creek, Virginia: House Document Numbered 287, Eighty-fifth Congress, at an estimated cost of \$269,800;

"Morehead City Harbor, North Carolina: Senate Document Numbered 54, Eighty-fourth Congress, at an estimated cost of \$1,197,000;

"Intracoastal Waterway, Jacksonville to Miami, Florida: House Document Numbered 222, Eighty-fifth Congress, maintenance;

"Port Everglades Harbor, Florida: House Document Numbered 346, Eighty-fifth Congress, at an estimated cost of \$6,683,000;

"Escambia River, Florida: House Document Numbered 75, Eighty-fifth Congress, at an estimated cost of \$61,000;

"Gulfport Harbor, Mississippi: Senate Document Numbered 123, Eighty-fourth Congress, maintenance;

"Barataria Bay, Louisiana: House Document Numbered 82, Eighty-fifth Congress, at an estimated cost of \$1,647,000;

"Chefuncte River and Bogue Falia, Louisiana: Senate Document Numbered 54, Eighty-fifth Congress, at an estimated cost of \$48,000;

"Pass Cavallo to Port Lavaca, Texas: House Document Numbered 131, Eighty-fourth Congress, at an estimated cost of \$413,000;

"Galveston Harbor and Houston Ship Channel, Texas: House Document Numbered 350, Eighty-fifth Congress, at an estimated cost of \$17,196,000;

"Matagorda Ship Channel, Port Lavaca, Texas: House Document Numbered 388, Eighty-fourth Congress, at an estimated cost of \$9,944,000;

"Port Aransas-Corpus Christi Waterway, Texas: House Document Numbered 361, Eighty-fifth Congress, at an estimated cost of \$6,272,000;

"Port Aransas-Corpus Christi Waterway, Texas, La Quinta Channel: Senate Document Numbered 33, Eighty-fifth Congress, at an estimate cost of \$954,000;

"Freeport Harbor, Texas: House Document Numbered 433, Eighty-fourth Congress, at an estimated cost of \$317,000;

"Mississippi River between Missouri River and Minneapolis, Minnesota, damage to levee and drainage districts: House Document Numbered 135, Eighty-fourth Congress, at an estimated cost of \$2,476,000;

"Mississippi River at Alton, Illinois, commercial harbor: House Document Numbered 136, Eighty-fourth Congress, at an estimated cost of \$246,000;

"Mississippi River at Alton, Illinois, small-boat harbor: House Document Numbered 136, Eighty-fourth Congress, at an estimated cost of \$101,000;

"Mississippi River at Clinton, Iowa, Beaver Slough: House Document Numbered 345, Eighty-fourth Congress, at an estimated cost of \$241,000;

"Mississippi River at Clinton, Iowa, report on damages: House Document Numbered 412, Eighty-fourth Congress, at an estimated cost of \$147,000;

"Mississippi River between Saint Louis, Missouri, and Lock and Dam Number 26: Senate Document Numbered 7, Eighty-fifth Congress, at an estimated cost of \$5,802,000;

"Mississippi River between the Missouri River and Minneapolis, Minnesota: Modification of the existing project in the Mississippi River at Saint Anthony Falls, Minneapolis, Minnesota, House Document Numbered 33, Eighty-fifth Congress;

"Minnesota River, Minnesota: Senate Document Numbered 144, Eighty-fourth Congress, at an estimated cost of \$2,539,000: *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of \$5,000;

"Vermilion Harbor, Ohio: House Document Numbered 231, Eighty-fifth Congress, at an estimated cost of \$474,000;

"Ohio River at Gallipolis, Ohio: House Document Numbered 423, Eighty-fourth Congress, at an estimated cost of \$66,000;

"Licking River, Kentucky: House Document Numbered 434, Eighty-fourth Congress, maintenance;

"Saxon Harbor, Wisconsin: House Document Numbered 169, Eighty-fifth Congress, at an estimated cost of \$393,500;

"Two Rivers Harbor, Wisconsin: House Document Numbered 362, Eighty-fourth Congress, at an estimated cost of \$66,000;

"Port Washington Harbor, Wisconsin: House Document Numbered 446, Eighty-third Congress, at an estimated Federal cost of \$2,181,000: *Provided*, That local interests shall contribute 30 percent of the total cost of the project;

"Saint Joseph Harbor, Michigan: Senate Document Numbered 95, Eighty-fourth Congress, maintenance;

"Old Channel of Rouge River, Michigan: House Document Numbered 135, Eighty-fifth Congress, at an estimated cost of \$101,500;

"Cleveland Harbor, Ohio: House Document Numbered 107, Eighty-fifth Congress, at an estimated cost of \$14,927,000;

"Toledo Harbor, Ohio: House Document Numbered 436, Eighty-fourth Congress, at an estimated cost of \$859,000;

"Irondequoit Bay, New York: House Document Numbered 332, Eighty-fourth Congress, at an estimated cost of \$1,938,000;

"Santa Cruz Harbor, Santa Cruz, California: House Document Numbered 357, Eighty-fifth Congress, at an estimated cost of \$1,612,000;

"Yaquina Bay and Harbor, Oregon: Senate Document Numbered 8, Eighty-fifth Congress, at an estimated cost of \$19,800,000;

"Siuslaw River, Oregon: House Document Numbered 204, Eighty-fifth Congress, at an estimated cost of \$1,693,100;

"Port Townsend Harbor, Washington: House Document Numbered 418, Eighty-fourth Congress, at an estimated cost of \$387,000;

"Bellingham Harbor, Washington: Senate Document Numbered 46, Eighty-fifth Congress, at an estimated cost of \$83,700;

"Douglas and Juneau Harbors, Alaska: House Document Numbered 286, Eighty-fourth Congress, at an estimated cost of \$1,394,000;

"Dillingham Harbor, Alaska: House Document Numbered 390, Eighty-fourth Congress, at an estimated cost of \$372,000.

"Naknek River, Alaska: House Document Numbered 390, Eighty-fourth Congress, at an estimated cost of \$19,000;

"Cook Inlet, navigation improvements, Alaska: House Document Numbered 34, Eighty-fifth Congress, at an estimated cost of \$5,199,200;

"San Juan Harbor, Puerto Rico: House Document Numbered 38, Eighty-fifth Congress, at an estimated cost of \$6,476,800;

"Beach erosion"

"State of Connecticut, Area 9, East River to New Haven Harbor: House Document Numbered 395, Eighty-fourth Congress, at an estimated cost of \$12,000;

"Connecticut shoreline, Areas 8 and 11, Saugatuck River to Byram River: House Document Numbered 174, Eighty-fifth Congress, at an estimated cost of \$229,000;

"Fire Island Inlet, Long Island, New York: House Document Numbered 411, Eighty-fourth Congress, at an estimated cost of \$2,724,000;

"Atlantic Coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document Numbered 332, Eighty-fifth Congress, at an estimated cost of \$6,755,000;

"Delaware Coast from Kitts Hummock to Fenwick Island, Delaware: House Document Numbered 216, Eighty-fifth Congress, at an estimated cost of \$28,000;

"Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Florida: House Document Numbered 342, Eighty-fifth Congress, at an estimated cost of \$222,500;

"Berrien County, Michigan: House Document Numbered 336, Eighty-fifth Congress, at an estimated cost of \$226,000;

"Manitowoc County, Wisconsin: House Document Numbered 348, Eighty-fourth Congress, at an estimated cost of \$50,000;

"Fair Haven Beach State Park, New York: House Document Numbered 134, Eighty-fourth Congress, at an estimated cost of \$114,000;

"Hamlin Beach State Park, New York: House Document Numbered 138, Eighty-fourth Congress, at an estimated cost of \$404,000;

"Humboldt Bay, California: House Document Numbered 282, Eighty-fifth Congress, at an estimated cost of \$38,200;

"Santa Cruz County, California: House Document Numbered 179, Eighty-fifth Congress, at an estimated cost of \$516,000;

"San Diego County, California: House Document Numbered 399, Eighty-fourth Congress, at an estimate cost of \$289,000;

"Waimea Beach and Hanapepe Bay, Island of Kauai, Territory of Hawaii: House Document Numbered 432, Eighty-fourth Congress, at an estimated cost of \$20,000.

"Sec. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"Sec. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers

85TH CONGRESS
2^D SESSION

H. J. RES. 588

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 31), 1958

Read twice and referred to the Committee on Appropriations

JOINT RESOLUTION

Making advance procurement appropriations for the fiscal year 1958, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That for the advance procurement (including advances to
4 supply funds therefor) of supplies, materials, and equipment,
5 not to exceed 50 per centum of each of the amounts set
6 forth in the schedules in the Budget for the fiscal year 1959
7 (House Document Numbered 266, Eighty-fifth Congress),
8 under each appropriation or fund, for the objects "Supplies
9 and materials" and "Equipment," is hereby appropriated,
10 out of any money in the Treasury not otherwise appro-
11 priated, and out of applicable corporate or other revenues,

1 receipts, and funds, for the several departments, agencies,
2 corporations, and other organizational units in the executive
3 branch of the Government (including the District of Colum-
4 bia), for which appropriations were granted for the fiscal
5 year 1958 and are proposed for the fiscal year 1959: *Pro-*
6 *vided*, That this paragraph shall not apply to military func-
7 tions of the Department of Defense.

8 The appropriations and funds made available under this
9 heading shall be immediately available and shall remain
10 available until (a) the date on which the period of avail-
11 ability terminates for the applicable appropriation or fund
12 provided in the pertinent appropriation Act for the fiscal year
13 1959, or (b) such earlier date as the pertinent appropria-
14 tion Act may be passed by either House of Congress with-
15 out any appropriation, or without provision in the pertinent
16 appropriation or fund, for the objects set forth under the first
17 paragraph of this heading.

18 Appropriations and funds made available and authority
19 granted under this heading for advance procurement may be
20 used for that purpose, during the fiscal year 1958, without
21 the apportionment which would otherwise be required by
22 subsections (c) and (d) of section 3679 of the Revised

1 Statutes, as amended (31 U. S. C. 665), and the amounts
2 made available under this heading shall be charged to the
3 applicable appropriations or funds provided in appropriation
4 Acts for the fiscal year 1959.

Passed the House of Representatives March 31, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

JOINT RESOLUTION

Making advance procurement appropriations for the fiscal year 1958, and for other purposes.

APRIL 1 (legislative day, MARCH 31), 1958
Read twice and referred to the Committee on
Appropriations

APRIL 1, 1958

SENATE

11. PURCHASING. The Appropriations Committee reported without amendment H. J. Res. 588, to provide immediate appropriations to Government civilian agencies of up to 50% of the amounts set forth in the Budget estimates for 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs (S. Rept. 1432). p. 5250
12. PUBLIC WORKS. Discussed and then postponed until April 14, by a 41 to 39 vote, S. 3497, the community facilities bill authorizing the Housing and Home Finance Agency to lend local governmental units up to \$1 billion for construction of public works. pp. 5286-94, 5299-5300, 5301-11.
13. PERSONNEL. The Post Office and Civil Service Committee ordered two amendments to be reported to S. 2127, to amend the Federal Employee's Group Life Insurance Act to limit the reduction in amounts of insurance for people over 65. p. D285
The Post Office and Civil Service Committee reported with amendments H. R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to non-Act positions to retain voluntary contribution accounts. (S. Rept. 1433). p. 5250
14. DAIRY PRICE SUPPORTS. Sen. Proxmire stated that the lowering of price supports would give the dairy farmers "a crushing, drastic, unfair slash in income," and accused the Secretary of aiding giant corporations. p. 5266
15. SALINE WATER. Sens. Kuchel and Case, S. D., were added as cosponsors, and Sen. Anderson spoke in favor of S. J. Res. 135, to authorize the Interior Department to construct and maintain a demonstration plant to produce useful water from sea water. pp. 5255-6
16. NATURAL RESOURCES. Sen. Proxmire inserted an article by Sen. Morse urging planned development of our natural resources. pp. 5265-6
17. RECLAMATION. Received a message from the President returning enrolled bill S. 2120, to authorize construction and operation of the lower Rio Grande rehabilitation project, Tex., Mercedes Division, in order that a correction might be made in the bill. p. 5298
18. REPORT. Received from the Justice Department a report of their activities for fiscal year 1957. p. 5248
19. FARM PRICES. Sen. Humphrey inserted a resolution of the Atwater, Minn., Community Club opposing recommendations for lower farm price levels. p. 5249
20. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Senate would consider the conference report on the rivers and harbors bill (S. 497) on Wed., April 2. p. 5311

ITEMS IN APPENDIX

21. FARM PRICES. Extension of remarks of Sen. Martin inserting an editorial, "Better Farm Prices," and stating that it calls attention to the "notable increase in prices received by farmers..." p. A3073
Extension of remarks of Sen. Carlson inserting an editorial and stating it "points out very specifically the problems of agriculture in the present situation. The farmer today is caught in a "cost-price squeeze, and it has a very definite effect on the present business recession." p. A3092

22. FOREIGN AID. Various insertions favoring and opposing the foreign aid program. pp. A3073-4, A3074-5, A3107
23. DAIRY INDUSTRY. Sen. Proxmire inserted a Eau Clair County (Wis.) Farm Bureau Cooperative resolution opposing reductions in dairy price supports. p. A3079
Sen. Proxmire inserted a Farm Journal editorial, "We Oppose April 1 Dairy Cuts." p. A3080
Sen. Langer inserted a GTA Daily Radio Roundup discussing the farm problem and stating that "Next Tuesday is April 1, farm price-cutting time, if President Eisenhower vetoes the price support freeze bill." pp. A3080-1
24. RURAL DEVELOPMENT. Extension of remarks of Sen. Morton inserting an article, "Kentucky Area Approach In Rural Development." pp. A3090-1
25. FARM PROGRAM. Extension of remarks of Rep. Knutson inserting an Amalgamated Meat Cutter Union letter expressing "the union's realization that it is as important to maintain and improve the income of farm families as it is the income of families of industrial workers." p. A3094
Extension of remarks of Rep. O'Hara inserting a constituent's proposal for a new farm program. pp. A3099-400
Extension of remarks of Rep. Knutson inserting George Meany's telegram urging the President to approve S. J. Res 162. p. A3104
Extension of remarks of Rep. Thomson inserting an editorial describing the "recovery of the cattle industry," stemming from the fact that "cattlemen produce a basic commodity not subject to price supports..." pp. A3110-1
Extension of remarks of Rep. Gross inserting an editorial and stating that "it calls attention to the loss of agricultural wealth as a result of migration from the farms of this country." pp. A3113-4
Rep. Gross inserted an editorial opposing the veto of the farm freeze measure. p. A3117
Rep. Breeding inserted a petition sent to him by a group of small-business men opposing the administration's farm program. pp. A3127-8
Rep. Gubser inserted his letter to the President in which he commended the Secretary. p. A3131
Rep. Knutson inserted a letter from her district with attached equipped farm auction bills, and stating they "paint a graphic picture of the unhealthy economic transition..." pp. A3131-3
26. STATEHOOD. Del. Bartlett inserted an editorial favoring statehood for Alaska. p. A3095
27. SURPLUS COMMODITIES. Extension of remarks of Rep. Hill defending this Department's surplus disposal program, and stating that "the Department has done its utmost, within the bounds of legal authority, to provide the maximum quantity of surplus foods that could be made available for donation to needy families." pp. A3098-9
Rep. Byrd inserted correspondence with this Department in reply to inquiries he made concerning the availability of additional quantities and varieties of surplus goods for distribution to needy families in depressed areas of West Virginia. p. A3110
28. SUGAR. Extension of remarks of Rep. Dixon discussing the "inadequacy" of the current proposed appropriations for the Sugar Act programs. p. A3101

ADVANCE PROCUREMENT APPROPRIATIONS, 1958

APRIL 1 (legislative day, MARCH 31), 1958.—Ordered to be printed

Mr. HAYDEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. J. Res. 588]

The Committee on Appropriations submits the following report in explanation of the accompanying House Joint Resolution No. 588, making advance procurement appropriations for the fiscal year 1958, and for other purposes, which is reported to the Senate without amendment. The resolution passed the House of Representatives March 31, 1958.

H. J. Res. 588 as reported to the Senate is identical in wording to the language recommended by the President in his message to the Congress dated March 26, 1958.

PURPOSE OF THE RESOLUTION

The purpose of the proposal, as explained in the President's recommendations, is to stimulate business activity and employment by permitting civilian agencies of the Government to advance their procurement of supplies, materials, and equipment budgeted for the next fiscal year. This action, the message states, would not increase Government purchases but would accelerate them and would make funds available in 1958 for items which normally would not be ordered until after the beginning of the new fiscal year on July 1 next.

The resolution authorizes the use during the remainder of fiscal year 1958 of not to exceed 50 percent of the amounts included in the 1959 budget estimates for "Supplies and Materials" and "Equipment" for the several departments and agencies in the executive branch, including the District of Columbia, except those for military functions of the Department of Defense and the Mutual Security Program. It does not involve the Legislative and Judicial branches. It does not include any appropriation or activity not in existence in 1958 or not provided for in the Budget for 1959.

It is provided in the resolution that whatever is appropriated by H J. Res. 588 ultimately will be charged to the 1959 appropriations when they become available.

It is estimated by the Bureau of the Budget that as a result of the resolution a total of \$195,000,000 will be obligated during the next 90 days and a total of \$54,300,000 will be expended during the period.

The Committee has been assured that the program will be carefully supervised to assure purchase of only essential items which would be purchased ultimately under the terms of the regular appropriation acts.



Calendar No. 1458

85TH CONGRESS
2D SESSION

H. J. RES. 588

[Report No. 1432]

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 31), 1958

Read twice and referred to the Committee on Appropriations

APRIL 1 (legislative day, MARCH 31), 1958

Reported by Mr. HAYDEN, without amendment

JOINT RESOLUTION

Making advance procurement appropriations for the fiscal year 1958, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That for the advance procurement (including advances to
4 supply funds therefor) of supplies, materials, and equipment,
5 not to exceed 50 per centum of each of the amounts set
6 forth in the schedules in the Budget for the fiscal year 1959
7 (House Document Numbered 266, Eighty-fifth Congress),
8 under each appropriation or fund, for the objects "Supplies
9 and materials" and "Equipment," is hereby appropriated.
10 out of any money in the Treasury not otherwise appro-
11 priated, and out of applicable corporate or other revenues.

1 receipts, and funds, for the several departments, agencies,
2 corporations, and other organizational units in the executive
3 branch of the Government (including the District of Colum-
4 bia), for which appropriations were granted for the fiscal
5 year 1958 and are proposed for the fiscal year 1959: *Pro-*
6 *vided*, That this paragraph shall not apply to military func-
7 tions of the Department of Defense.

8 The appropriations and funds made available under this
9 heading shall be immediately available and shall remain
10 available until (a) the date on which the period of avail-
11 ability terminates for the applicable appropriation or fund
12 provided in the pertinent appropriation Act for the fiscal
13 year 1959, or (b) such earlier date as the pertinent appro-
14 priation Act may be passed by either House of Congress
15 without any appropriation, or without provision in the perti-
16 nent appropriation or fund, for the objects set forth under
17 the first paragraph of this heading.

18 Appropriations and funds made available and authority
19 granted under this heading for advance procurement may be
20 used for that purpose, during the fiscal year 1958, without
21 the apportionment which would otherwise be required by
22 subsections (c) and (d) of section 3679 of the Revised
23 Statutes, as amended (31 U. S. C. 665), and the amounts

- 1 made available under this heading shall be charged to the
- 2 applicable appropriations or funds provided in appropriation
- 3 Acts for the fiscal year 1959.

Passed the House of Representatives March 31, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

[Report No. 1432]

JOINT RESOLUTION

Making advance procurement appropriations
for the fiscal year 1958, and for other pur-
poses.

APRIL 1 (legislative day, MARCH 31), 1958
Read twice and referred to the Committee on
Appropriations

APRIL 1 (legislative day, MARCH 31), 1958
Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued April 22, 1958

For actions of April 21, 1958

85th-2d, No. 60

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: See page 8.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1959. Passed as reported this bill, H. R. 11767. pp. 6089-95, 6097-6101

The Appropriations Committee had reported this bill with amendments on April 18 (under Senate order of April 17) (S. Rept. 1438). p. 6017

Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest are a comparison of the Committee actions and excerpts from the committee report.

In presenting the bill Sen. Russell clarified the Committee's position regarding export subsidy programs. In brief, the Senator stated the Committee's action should not be construed as approval of the House Appropriations Committee Report. He said the Senate Committee made no recommendation since it believed this properly to be within the jurisdiction of the legislative committees. pp. 6091-92

Senate conferees were appointed on the bill. p. 6101

2. PURCHASING. Passed without amendment H. J. Res. 588, to provide immediate appropriations to Government civilian agencies of up to 50% of the amounts set forth in the Budget estimates for 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs. This measure will now be sent to the President. pp. 6081-85
3. WOOL. The Agriculture Committee reported with amendment S. 2861, to extend for 4 years additional the National Wool Act (S. Rept. 1460). p. 6024
4. PACKERS. The Agriculture and Forestry Committee ordered reported with an amendment in the nature of a substitute S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC. The "Daily Digest" states that "as approved by the committee the bill would contain language providing concurrent jurisdiction for a period of 3 years of the FTC and Department of Agriculture over wholesaling and retailing of meat and meat products." p. D324
Sen. Holland stated that the bill will be reported by the Committee Tues., Apr. 22. pp. 6096-97
Sen. Watkins inserted the testimony of the Chairman of the Federal Trade Commission before the Jt. Judiciary and Agriculture and Forestry Committees in favor of the enactment of S. 1356. pp. 6108-09
5. FARM PROGRAM. Sen. Knowland inserted the Secretary's letter to him setting forth certain facts regarding the agricultural situation for the use of Congress in considering agricultural legislation. pp. 6040-41
6. COMMITTEE ASSIGNMENTS. Sen. Proxmire was excused from further service as a member of the Post Office and Civil Service Committee and assigned to the Agriculture and Forestry Committee. pp. 6017-18
7. SOIL BANK. Sen. Nueberger expressed concern over "the 67 farm producers who last year received more than \$50,000 apiece in Soil-Bank payments through the acreage reserve program," and inserted a list of producers who received more than \$50,000 under the 1957 acreage-reserve program. pp. 6068-69
8. SCHOOL LUNCH. Received from the Calif. Legislature a resolution favoring increased appropriations for the school lunch program. p. 6020
9. PERSONNEL. The Foreign Relations Committee reported without amendment S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other gifts from certain foreign countries. (S. Rept. 1439). p. 6023
10. ELECTRIFICATION. Sens. Thye and Humphrey inserted a resolution from the Kandiyohi Cooperative Electric Power Assoc., Willmar, Minn., criticizing "the movement to attach higher interest rates for the borrowing of money" by REA coops. pp. 6021, 6023

Hill-Burton program has been a benediction almost beyond compare.

I am proud to call the attention of the Senate to the fact that, when the United States initiated its offer one-third of the cost of hospitals all around our land, the government of my State accepted the challenge to do its share of the job. The Federal law specifies that the other two-thirds of the cost must be forthcoming from the people of the communities desiring to build new public hospitals with the help of Hill-Burton Act moneys. The legislature of my State, responding wholeheartedly to the recommendation of the then governor, and now Chief Justice of the United States, the Honorable Earl Warren, and his director of public health, Dr. Wilton Halverson, passed a bill authorizing the expenditure of State funds to the extent of one-half of the local share of the cost. In other words, in implementing the Hill-Burton Act program in California, one-third of the cost of a hospital project is derived from Federal funds, one-third from State funds, and one-third from local funds.

In actuality, the local contribution has usually exceeded one-third, because of the desire of the communities to have the best hospital facilities they were capable of providing. Thus, we find that the \$39 million plus of Federal funds allocated to California since 1948 has resulted in an aggregate expenditure of \$145 million for the 145 projects. The local communities have provided about \$66 million. The State itself has contributed \$29,371,046, a somewhat lesser amount than the Federal payment, because of a difference in the types of projects which are eligible for the two different funds. Hospitals operated for profit are not eligible under our hospital survey and construction program.

The hospitals publicly constructed have been only part of the accomplishments in this field of high human endeavor these past dozen years. Altogether, more than 38,000 beds, including those in State institutions, have been constructed in California since 1947. Constructing and equipping these facilities has cost close to \$500 million.

The 145 projects assisted by the Federal Government include 81 general hospitals with 5,951 beds, 5 mental hospitals with 122 beds, 6 tuberculosis hospitals with 795 beds, 11 chronic disease hospitals with 868 beds, 9 nursing homes with 291 beds, 23 public health centers, 6 out-patient departments, and 4 rehabilitation centers.

But we have never caught up with the need. The State Advisory Hospital Council, which distributes the State and Federal funds, has been faced at the start of every year with a backlog of pending projects which seems never to decrease. Last August 9, there were 94 active applications, involving requests for more than \$66 million in State and Federal funds. The council was able to allocate the \$10,204,580, then available, of State and Federal funds to but 15 applicants, for 6 categories of facilities.

I now have from the State director of public health, Dr. Malcolm H. Merrill, figures showing that 176 projects are

ready in California for financing, including 45 entirely new installations, 66 additions, and 65 remodeling jobs. The breakdown as to type is: 137 general hospitals, 11 psychiatric hospitals, 14 long-term care facilities, one tuberculosis hospital, 1 rehabilitation facility, and 12 public health centers. I wish to emphasize that these projects are ready to go. Dr. Merrill has advised me that construction on all of them could have started by June 30 of this year if on April 1 it had been certain that the necessary funds would be available. The estimated total cost would be approximately \$170 million, and would result in 16,300 new beds.

Let me use just a few more figures: The State health department has found that the need for hospital beds has been only partially met in a majority of the communities of California. I shall use only a few examples. Oceanside, where the big Pacific coast base of the United States Marine Corps is located, has only 35 percent as many hospital beds as it needs. Susanville, diagonally across the State, a thousand miles from Oceanside, and a typical sawmill town, has only 41 percent. Lancaster is one of the fastest growing areas in the world. It is near the great missile testing facility at Edwards Air Force Base, and numerous other military installations. It has only 48 percent of enough hospital beds. Santa Ana, in my own county of Orange, has only 52. San Diego has 68 beds for every 100 it should have in order to care properly for the health of its half million inhabitants. And so it goes.

The situation with respect to psychiatric hospitals is even worse. Such important communities as Santa Barbara, San Bernardino, Redding, Eureka, and San Jose have no local publicly-owned hospitals of this type. As to health centers, three of the health districts in Los Angeles County have no buildings whatsoever; and this is equality true of Alameda and Imperial Counties and others.

I think I have said enough to make it very clear that the need for additional hospital facilities exists in California in an urgent, if not critical, degree. I have no doubt that this is true in many other places in this land of ours.

Senators are aware that the President's budget for the fiscal year 1959 includes \$120 million for Hill-Burton Act allocations, the amount appropriated for 1958 also. The legal limit for annual appropriations of Federal funds for this purpose is \$210 million, and I am advised that in the present session of Congress, the distinguished senior Senator from Alabama, [Mr. HILL] will seek approval for the maximum. I hope the Senate will give serious consideration to such a request.

I do not believe that the arguments for any other program are more compelling than those for this one. It is a program which can be implemented readily, and thus can help our national economy to resume its forward march. It will give to communities in need the means of proper care for the sick. It is an investment in the happiness of people.

I am delighted to be able to add that the legislature and State administration

in California have given assurances that they will go along with the requests of the advisory hospital council for such additional State funds as may be necessitated by larger Hill-Burton Act allocations. In the event it is found that other States are not so fortunately situated, perhaps Congress will be willing to consider adding, as a new feature of the Hill-Burton Act, a provision for loans to cover such a contingency. I would be in favor of any sound steps which could be taken to make as complete as possible the beneficial effects of this great program.

PRINTING OF COMMITTEE PRINT "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES" AS A SENATE DOCUMENT

The PRESIDING OFFICER [Mr. CHURCH in the chair]. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print "Recruiting and Training for the Foreign Service of the United States," as a Senate document.

ADVANCE PROCUREMENT APPROPRIATIONS, 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1458, House Joint Resolution 588, an appropriation resolution.

The PRESIDING OFFICER. The joint resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 588) making advance procurement appropriations for the fiscal year 1958, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to the consideration of the joint resolution.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, will explain the resolution. It is intended that we will follow that resolution with Calendar 1463, H. R. 11767, making appropriations for the Department of Agriculture, which the distinguished Senator from Georgia [Mr. RUSSELL] will handle on the floor.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution is open to amendment.

Mr. HAYDEN. Mr. President, the joint resolution makes advance procure-

ment appropriations for the fiscal year 1958.

The resolution passed the House on March 31, and is reported to the Senate without amendment.

The resolution as reported to the Senate is identical in wording to the language recommended by the President in his message to the Congress dated March 26. The purpose of the proposal is to stimulate business activity and employment by permitting civilian agencies of the Government to advance their procurement of supplies, materials, and equipment budgeted for the next fiscal year.

It is provided in the resolution that whatever is appropriated by House Joint Resolution 588 ultimately will be charged to the 1959 appropriations when they become available.

It is estimated by the Bureau of the Budget that this resolution involves obligations of \$195 million and expenditures of \$54,300,000 between now and the 1st of next July.

The committee has been assured that the program will be carefully supervised to assure purchase of only essential items.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. MARTIN. Mr. President, I call up my amendment to House Joint Resolution 588.

The PRESIDING OFFICER. The amendment of the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 3, after line 3, to insert the following new paragraph:

The funds appropriated under this joint resolution for advance procurement shall be used only with respect to supplies, material, and equipment manufactured, mined, or produced within the United States, its Territories, or possessions.

Mr. MARTIN of Pennsylvania. Mr. President, I ask to modify my amendment by striking out, in line 1, the word "The", and substituting therefor the words "No part of the"; in line 2, by striking out the word "only"; in line 4 by striking out the word "within" and substituting therefore the word "without."

The PRESIDING OFFICER. The Senator has the right to modify his own amendment.

The question is on agreeing to the amendment of the Senator from Pennsylvania, as modified.

Mr. MARTIN of Pennsylvania. Mr. President, I ask that the clerk read the amendment, as now modified.

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The LEGISLATIVE CLERK. It is proposed, on page 3, after line 3, to insert the following new paragraph:

No part of the funds appropriated under this joint resolution for advance procurement shall be used with respect to supplies, materials, and equipment manufactured, mined, or produced without the United States, its Territories, or possessions.

Mr. HAYDEN. Mr. President, the change made by the Senator in his amendment as originally introduced leaves it in approximately the same condition as it was when offered. I re-

ferred the matter to the Bureau of the Budget, asking for an opinion from the Bureau as to the effect of the amendment and the necessity for it. I received a reply from the Deputy Director of the Bureau, the substance of which I can quickly state to the Senator, if he desires me to do so.

Mr. MARTIN of Pennsylvania. I shall be very happy to have the distinguished Senator do so.

Mr. HAYDEN. The amendment provided that funds appropriated under the House joint resolution should be used only with respect to supplies, materials, and equipment manufactured, mined, or produced within the United States. In the letter to me the Deputy Director of the Bureau of the Budget stated, first, that the objective of the amendment is now covered to the fullest practicable extent by provisions of the Buy American Act. Those provisions of law are of general application, and would apply to any funds appropriated under House Joint Resolution 588.

I have in my hand a copy of the particular text of the Buy American Act to which the Deputy Director of the Bureau of the Budget referred. That act became law on March 3, 1933. It is found in section 10a, chapter 212, title III, section 2, 47 Statutes 1520. This is what the present law provides:

Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use.

That is a very broad prohibition.

This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

It seems to me the Buy American Act, which has been in effect since 1933, fully covers what the Senator seeks to accomplish, and that nothing would be gained by the adoption of his proposed amendment. That is the view of the Bureau of the Budget.

The Director of the Budget goes on to say that the amendment would result in substantial delay in ascertaining whether certain planned procurement could be undertaken; this result would follow because the supplies and materials appropriated for in this resolution might contain components of foreign origin.

The idea is to get something done between now and the 1st of July to provide employment for American workingmen by procuring things promptly. If the amendment were adopted we would have a delay, in order to ascertain

whether anything which was to be procured was or was not of American origin.

Finally the objection of the Director of the Bureau of the Budget is that the amendment would subject part of fiscal year 1959 procurement appropriations to restrictions which would not apply to the remainder of the appropriations, and thereby would create administrative difficulties without adding any reasonable safeguard not adequately provided by existing law. In short, the amendment would delay the effect of the resolution without providing sufficient benefits to the country to offset this delay. House Joint Resolution 588 seeks to speed up Government buying, to commit part of fiscal year 1959 appropriations now, and thereby to stimulate industries hit by the recession. The amendment of the Senator from Pennsylvania [Mr. MARTIN] would retard these aims.

Mr. MARTIN of Pennsylvania. Mr. President, I do not want to take up much time of the Senate, but it does seem to me this is a very important joint resolution, and that my amendment thereto could be a very important part of it.

Before explaining the purposes of my amendment, I should first like to say that I fully appreciate the intent of House Joint Resolution 588, and realize that it implements President Eisenhower's message to the Congress of March 26, 1958. This message asked for a stepped-up program of procurement of supplies, materials, and equipment for civilian agencies, by permitting advance procurement on the 1959 appropriations.

It would grant to civil agency procurement what has already been urged for military and defense procurement. Its objective is to stimulate employment by the early placement of orders for supplies, materials, and equipment.

Mr. President, I agree with this purpose, although there is some doubt in my mind that very much advantage can be taken of such funds within the next 90 days, as was originally anticipated.

The President's stated purpose is "to stimulate business activity and employment" by this measure and provide an added stimulus to the Nation's economy.

Such stimulation can only be provided if the funds called for in the resolution are spent in this country.

The very items which our Government continues to buy from foreign sources are those with high labor content. Our industry cannot possibly compete with foreign wage rates for such items.

Under present procurement directives in effect in civil agencies of Government a large amount of these advanced procurement funds will be spent abroad.

This reverts, Mr. President, to the so-called Buy American Act of 1933, and the method of its administration today, under Executive order.

In a report on my amendment to House Joint Resolution 588, the Bureau of the Budget has made a rather hasty evaluation of the situation. The Bureau has referred, in the second paragraph of its report, to the Buy American Act, and the belief that such act would reasonably assure that domestic supplies, materials and equipment would be purchased,

Mr. President, this has not been true under the Buy American Act as it is administered by either the Department of Defense or the civil agencies. Time and time again contracts have gone to Italy, France, Germany, Japan, or Great Britain—under the Executive Order 10582, dated December 17, 1954. This Executive order directs all executive agencies, in determining whether a contract shall be let to a foreign source, to set a price differential of only 6 percent. That is, if the American bidder is only six and a fraction percent higher than a foreign bidder, the contract can go foreign.

The conditions of national welfare, or reasonableness, as provided in the original Buy American Act, have fallen into discard, and I have seen instance after instance, affecting manufacturers in my own State, of a contract being awarded to a foreign bidder, with which an American manufacturer and American labor could not possibly compete within a 6-percent differential.

As a result foreign equipment, which may not meet the quality or performance of the American-built equipment, is used on American civil-works projects. There is no adequate means of servicing such equipment, and as for national defense or national economic benefits we are letting our own industry and our own labor down.

Mr. President, I have protested the administration of the Buy American Act with the civil and military agencies on numerous occasions.

The amendment which I offer today is only in a very limited way designed to assure that procurement funds, which are to be released for the purpose of stimulating employment and business activity, will be spent for supplies, material and equipment manufactured, mined or produced within the United States.

This is in harmony with the original purposes of the Buy American Act, and not in contravention to it.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. MARTIN of Pennsylvania. I am glad to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Did I correctly understand that the amendment of the Senator from Pennsylvania, as modified, provides it would apply to manufactured goods whose components were in whole or in part of American origin or American manufacture?

Mr. MARTIN of Pennsylvania. That is the intent of the amendment.

Mr. COTTON. In that case, it would not be necessary to have a delay with respect to orders to ascertain if all the components of any manufactured article were from this country. Some components could come from without the country if some part of the article were manufactured in this country. Is that a correct understanding?

Mr. MARTIN of Pennsylvania. The Senator is correct.

Mr. COTTON. Mr. President, I should like to commend the distinguished Senator from Pennsylvania for presenting his amendment. I hope the amendment will be adopted.

With all respect to the very able and distinguished Senator from Arizona [Mr. HAYDEN], I cannot understand how the amendment would cripple House Joint Resolution 588 at all. The amendment would be an added safeguard.

Some of us have followed procurements which have been made. The purchases probably were made with the best of intentions, but they were made since the "Buy American Act" was adopted. Last year we observed the purchases of textiles outside of America, and noted how little was spent in America. We observed the purchase of automobiles and trucks outside of this country, although that industry is in the condition we all know about today.

It seems to me the amendment would be an added safeguard. The Buy American Act does not go far enough. If we are going to accelerate the use of the money to be provided, let us make sure the money will go where it ought to go.

I hope the Senator will press his amendment, and that he will ask for a quorum and a yea and nay vote. I think the amendment is very important, and I desire to associate myself with the Senator.

Mr. MARTIN of Pennsylvania. Mr. President, I certainly appreciate very much the sound remarks of the distinguished Senator from New Hampshire.

I dislike to disagree with the distinguished senior Senator from Arizona [Mr. HAYDEN]. I consider him to be one of the outstanding men of the whole of the United States, who has stood for all of the great things which have made ours the finest country in all the world, the country upon which the free world is now depending.

I feel very much as does the Senator from New Hampshire. This amendment would provide employment for American workingmen, many of whom are now out of employment. We are talking now of extending unemployment insurance benefits. I favor such action; it is a part of our system. But what the American workingman wants is a job of his choice, at a wage which will sustain his way of life. I sincerely hope that the distinguished Senator from Arizona will accept my amendment as now modified.

Mr. HAYDEN. I should be glad to do so if I thought the amendment would have any appreciable effect in the next 2½ months but I fear the amendment would nullify the resolution completely. The Buy American Act applies to all appropriations. What can we do in a temporary resolution making appropriations for 2½ months, to change a system which admittedly may not be perfect?

I inquired diligently as to where this money was to be spent. I read from the hearings:

Chairman HAYDEN. I noticed you stated that the design was to channel these funds into areas of labor surpluses or unemployment.

Now, how do you go about that?

Mr. MERRIAM. If I may, I would like to ask Mr. Bean, who is the Commissioner of the Federal Supply Service of the General Services Administration, to give you that an-

swer. He has already worked out some details on that and can fill in for me.

CHANNELING OF MERCHANDISE INTO LABOR-SURPLUS AREAS

Mr. BEAN. We have an order, Mr. Chairman, which I believe will be signed by the Administrator tomorrow, on channeling merchandise into labor-surplus areas, which will in effect make a set-aside, and we are shooting at a minimum of 50 percent, into labor-surplus areas, and more where it can be done.

The set-aside will go into surplus-labor areas and the first call on this will be small business, then it will be big business in the labor-surplus area, and then, if we cannot get the entire amount of goods that are needed in that particular area, then it will go to small business in the non-labor-surplus area.

Where prices are concerned, where you have a set-aside; for instance, if you were to buy a thousand pieces of something and you might set aside 500 for labor-surplus areas and 500 for competition, you would then bid; you would take the lowest bidder on the competitive bidding scale and, we will say that that was a dollar, then to small business in the labor-surplus area you would offer these goods to anyone who wanted to take them.

The plan is to try to find out where men are out of work, and put them back to work. It is estimated that of the total amount provided for in the joint resolution, approximately \$40 million worth of automobiles and trucks will be purchased. There may be some small component in some truck or automobile which may come from abroad although the truck or automobile would be manufactured in Michigan. It is in that industry that our greatest unemployment exists at the present moment. It would afford a stimulant if we could provide \$40 million worth of work in those areas. I cannot see any advantage in doing what is proposed for such a short time and without further clarification of the language suggested. The proposed arrangement would expire on the 1st of July, and from that time on everything would be governed by the Buy American Act.

The Senator's amendment is bound to interfere with the prompt carrying into effect of what the administration wishes to do, and that is to get jobs right away for people who are out of work. I cannot conceive of any other result. Therefore I am compelled to resist the adoption of the amendment.

Mr. MARTIN of Pennsylvania. Mr. President, I appreciate very much the time and attention which the distinguished Senator has given to this subject. However, I cannot see how my amendment would interfere with the provisions of the joint resolution. It provides only that—

No part of the funds appropriated under this joint resolution for advance procurement shall be used with respect to supplies, materials, and equipment manufactured, mined, or produced without the United States, its Territories or possessions.

I cannot see how the purchasing of goods abroad can constitute anything but indirect help to the unemployed in the United States.

Mr. HAYDEN. It is not the intention, under the provisions of the joint resolution, to buy goods abroad. Articles will

be bought in labor shortage areas in the United States. The articles which will be made available to the Government in labor shortage areas will be articles with respect to which the component materials are already here. It is not the intention to spend a great deal of money abroad. Let me read what the Deputy Director of the Budget says:

The amendment would appear to preclude any procurement of supplies, equipment, or material, which might include some relatively unimportant component or part of which is of foreign origin.

We believe that this would necessarily result in a substantial delay in ascertaining whether certain planned procurement could be undertaken.

If we must make a complete check of all the little details, as we must do under the Buy American Act, we shall not be able to put people back to work. Which is more important in the next two and a half months—to provide jobs for those who are now out of work, or to make sure that we do not use any component part of anything which comes from abroad if such component part is produced in the United States? The great bulk of the materials which will be used are bound to be produced in the United States.

Mr. MARTIN of Pennsylvania. Mr. President, I do not wish to prolong the discussion, but I cannot see how my amendment would do what the distinguished Senator from Arizona suggests.

Mr. HAYDEN. I am only citing the judgment of the Bureau of the Budget. The officials of that agency should know what they are talking about.

Mr. MARTIN of Pennsylvania. I very much admire the young man who signed this letter, Mr. Merriam. I think he is an able young American, and that the new Director of the Budget Bureau is a very able and conscientious American.

Four years ago the Congress authorized a channel at Philadelphia with a depth of 40 feet. The distinguished Senator from Arizona was very helpful in that connection. The Budget Bureau came along 2 years afterward and restricted it to 35 feet. I feel that the Congress has a certain obligation and a certain duty, as does the Bureau of the Budget. I do not believe that we should absolutely accept the statements of the Budget Bureau, or, for that matter, of any other part of the administration—and I support the administration—unless such views are in accord with our views in Congress.

I believe that we should follow the Constitution of the United States. The first part of the Constitution deals with the legislative branch. Then comes the executive. We are closer to the people than is the executive branch. I feel that we have a duty, and that we should have the courage to perform it. I believe we usually do.

Mr. HAYDEN. Mr. President, the Senator has my sincere sympathy so far as concerns the action which has been taken by the Bureau of the Budget to impound money appropriated by Congress for specific purposes, and the failure to make it available. If anything can be done to cure that situation, I

shall cooperate with the Senator from Pennsylvania. I wish to help in every way I can.

However, it is a fact that, in the judgment of those who will administer the proposed law, the money could not be expended, and that men who otherwise would get jobs will not get them, if the Senator's amendment is adopted.

There is a further objection to it. I quote from the letter from the Bureau of the Budget:

It seems to us that the amendment would also have the undesirable effect of subjecting some of the procurement, ultimately chargeable to appropriations for the fiscal year 1959, to restrictions which would not apply to the remainder of the procurement chargeable to those appropriations.

What we are doing is saying, "You may enter into contracts for the expenditure of this money right now. Otherwise you would not have authority to do so until July 1. We will let you do it 2½ months ahead of time, so as to get people back to work."

It is not good business practice to have 2 kinds of regulations applying to the same type of expenditure.

It does not seem to me that that is a sound way to proceed. There is bound to be more of that kind of argument, so far as the Bureau of the Budget is concerned.

Mr. COTTON. It seems to me there is one point about which there is some misunderstanding. According to my understanding of the amendment offered by the Senator from Pennsylvania, in its modified form, it would amount to this. If it were desired to purchase a number of trucks, no one could be asked to take the time to find out if some small component part of it had been made abroad. If the trucks were purchased in this country, and in whole or in part had been made in this country, the trucks would come within the purview of the Senator's amendment. Is that correct?

Mr. MARTIN of Pennsylvania. That is the intention of my amendment.

Mr. COTTON. I can agree with the distinguished Senator from Arizona, whose leadership I have so often followed, that if it were necessary to make research in order to ascertain whether a very insignificant part of a truck—perhaps a screw or other small item—had been made in this country or abroad, the process could delay the letting of orders.

Mr. HAYDEN. The interpretation of the amendment, as made by the Bureau of the Budget, is this:

The amendment would appear to preclude any procurement of supplies, equipment, or material, which might include some relatively unimportant component or part which is of foreign origin.

Mr. COTTON. Was not that interpretation based upon the amendment of the Senator from Pennsylvania in its original form? The Senator from Pennsylvania has modified his amendment.

Mr. HAYDEN. I cannot see that that makes any difference. I cannot see it makes any difference whether it says in whole or in part.

Mr. COTTON. I should like to suggest that if the Senator's amendment is amended so as to provide for goods man-

ufactured in whole or in part in this country, the situation would be taken care of. If the intention is to "Buy American" and to use the joint resolution as a means of accelerating the employment situation, I cannot understand what possible harm the amendment would do. Certainly it would be an added safeguard.

I cannot help saying that I do not have too much confidence in the effectiveness of the "Buy American" law as it has been administered. I wonder if the Senator from Pennsylvania would not consent to modify his amendment so that it would be clear it does not preclude the purchase of materials and goods manufactured outside this country, and that it is not intended that every component part of a manufactured article be manufactured in this country.

Mr. MARTIN of Pennsylvania. I am very glad to accept that amendment from the distinguished Senator from New Hampshire, because that is the real intention of the amendment.

Mr. HAYDEN. Then we will get back to the provision in the existing law. The present Buy American Act says:

SEC. 10a. American materials required for public use: Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such manufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use.

This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. (March 3, 1933, ch. 212, title III, sec. 2, 47 Stat. 1520.)

Mr. COTTON. To be sure, the "Buy American" Act does provide what the Senator has read, but it also adds the proviso permitting foreign procurement if, in the opinion of the head of the Department concerned, it would be more economical for the part to be purchased abroad.

What I would suggest, and what I am sure the Senator from Pennsylvania is suggesting also, is that when we accelerate the spending of the money, it shall be used for American-made goods, regardless of what someone downtown, at the head of a Department, may think. If he thinks it should be bought abroad, let him wait for the regular appropriations.

Is it not a fact that under the "Buy American" Act it is intended that the head of a Department or the person who makes the purchase should exercise his discretion? I do not question the advisability of such a provision. However, they do not have to buy in the United

States if their judgment dictates otherwise.

Is there any harm in restricting this accelerated fund and not granting discretion to buy abroad, but to buy American goods, when that is the sole purpose of the acceleration?

Mr. HAYDEN. It would seem to me that the administration, in its anxiety to find work for people who are out of work in the United States, would like to buy the kind of materials about which there would be no doubt as to their being produced in the United States. I believe that is what the administration will do.

Another objection I have to the amendment is that the joint resolution has been passed by the House. If we pass it without amendment, it will go to the President. If the amendment is adopted, it must go back to the House, and there must be a conference on it. In that case I do not know when it will become law. Very soon it may become immaterial whether the joint resolution is passed or not. If we do anything about it, we should do it right away. We are concerned with a small matter. The amount of expenditure involved is only \$50 million in procurements that can be made between now and the 30th of June. The Government will buy billions of dollars in equipment and other materials after the first of July. The Bureau of the Budget has estimated that between now and the first of July approximately \$50 million can be expended. That is a mere drop in the bucket compared to the whole amount involved. It is not big enough to raise the very important issue the Senator from Pennsylvania has raised.

Mr. MARTIN of Pennsylvania. Mr. President, I should like to ask the distinguished Senator a question. Could it be considered the sense of the Senate that we feel that all of these purchases should be made of American goods, and that foreign components be used to the least extent possible?

Mr. HAYDEN. I am in complete accord with that statement, and I agree with it entirely. What I am thinking about is the practical way of getting at it. I shall be very glad to reply to the letter from the Bureau of the Budget and say that the issue was raised on the floor of the Senate and that it is the hope of the Senate, as expressed on the floor, that the money be expended for the procurement of American products, and that we hope, in the administration of the law, there will be the least possible use of any foreign commodities. I shall be glad to write a letter to the Director of the Bureau of the Budget to that effect.

Mr. MARTIN of Pennsylvania. I would press the matter for a record vote, if it were not for the fact that I appreciate very much what the distinguished Senator from Arizona has said, namely, that we ought to have as prompt action on the matter as possible, if the joint resolution is to have any effect in relieving unemployment in the various parts of our country.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The joint

resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 583) was ordered to a third reading, was read the third time, and passed.

NO RECESSION IN ARIZONA

Mr. GOLDWATER. Mr. President, practically every day since this session opened there have echoed through these Halls vivid descriptions of the poverty and depression that mark this country. Day after day bills have been hastily introduced on the floor aimed at curing the ills that my colleagues find in their States.

Today I wish to inject a happier note into this gloomy atmosphere by relating to the Senate the state of business in Arizona for the first 3 months of this year. I shall not touch on every facet, but shall include a complete survey of business made by the Arizona Republic and Phoenix Gazette, so that my colleagues may see how the youngest State in the Nation is forging ahead day by day by the application of an old formula. That formula is "Man's material welfare is the product of natural resources plus human energy multiplied by tools." To put it in language more typical of the West, "Man's material welfare is the result of man being willing to pull on his own bootstraps."

Nothing in the United States stands out like the 1958 economic record of Arizona. This record did not just happen, and it certainly did not happen because the people in Arizona were content to sit back and wait for Congress in its wisdom to prescribe an economic medicine. Public initiative, optimism, and enthusiasm including the starch and zip of newcomers who bring in and adopt ideas, add much to our march of progress. Here is a factual story of prosperity in the United States in the midst of groans that the Nation is hard hit. Arizona people have energy, thrift, steadiness, courage, and determination, and they know that business is there if they want to go after it.

This type of activity on the part of Arizona citizens is attracting nationwide attention to my State, and factory after factory is being built on land that a few years ago was desert. These companies like the creative and energized atmosphere of Arizona; they like the weather, they like the people, the men and women with vision and courage, the citizens who rely upon themselves and who believe firmly in the American free-enterprise system, unhampered and unfettered by Government edict and control.

I ask unanimous consent that an editorial published in the Phoenix Gazette of April 16 be printed at this point in the RECORD together with a special report to me on the economy of Phoenix and Arizona, for the first quarter of 1958, and a summary of the report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Phoenix Gazette of Wednesday, April 16, 1958]

ARIZONA HAS A STORY FOR THE NATION

You've probably heard by word of mouth, or read in news interviews with visiting businessmen, that Phoenix and all Arizona are a bright spot economically in a nation plagued by a spotty recession and a feeling of gloom that often goes beyond justification. Just how bright this sun country actually is has now been established in a first-quarter survey of the State by the market analysis and research section of Phoenix Newspapers, Inc.

The report has already made an impact on the National Association of Manufacturers, which plans an early conference of business editors on the Arizona statistics. Similar interest is expected from the United States Chamber of Commerce. It is safe to say, on the basis of the figures revealed, that Arizona is one of the Nation's most encouraging areas in a year of economic doubts and lack of confidence. Obviously, the publicity that should thus come to the State will be invaluable, not only in Arizona's interest but also for its effect on the Nation as a whole.

In almost every business category, the State has registered plus signs for the first 3 months of the year compared with the same period in 1957. Retail sales are up 10.5 percent. At the same time, bank deposits are up 8.7 percent. There are 10 percent more motor vehicle registrations. Non-agricultural employment is up 3.9 percent. Maricopa County tourist business has had a sensational gain of 50 percent.

But of major significance and interest for the rest of the Nation is the composite outlook for manufacturing in the Phoenix area. The industrial committee of the Phoenix Chamber of Commerce has made the following statement: "After checking with Phoenix's major employers, it appears that manufacturing employment will by the end of this year, exceed any highest preceding year."

The statewide figures are in most cases matched or exceeded in the Phoenix trading area, which includes all of the county. This is where the greatest growth in population is taking place—and it is noteworthy that this rate (7.6 percent for the county and 1.7 percent for the State) is often surpassed by the rates of business increase. In other words, additional population is not the sole basis for the State's economic vitality.

Total employment is considerably higher both in the State and the county, despite the accompanying rise in benefits paid to jobless workers. The State's copper crisis and layoffs in some other lines of work reflecting conditions elsewhere undoubtedly provide a major part of the answer to this situation. But there is also much encouragement in the overall employment picture.

There can be no doubt of the State's general prosperity when total Arizona business increased by 4 percent compared with national figures of declining activity. There is an increase in the wholesale distribution of appliances in the Phoenix area; appliance sales have been a national weak spot. The increase in building activity is also significant, for that is a basic indicator of economic soundness. The value of new building in Maricopa County increased by 16.7 percent between the first quarter of 1957 and the first quarter of 1958. The number of Arizona's licensed contractors increased by 20.3 percent.

For an indication of the future, one has only to look at the multimillion-dollar expansion programs of the telephone and gas-electric utilities, as well as at the flow of business inquiries coming into the office of

the Arizona Development Board, which reports five times as many industrial queries as in early 1957.

The Phoenix-Arizona story has been a sub-

ject of national attention throughout the postwar period. Now, against the background of recession elsewhere, it looks better than ever.

SPECIAL REPORT TO SENATOR BARRY GOLDWATER ON THE ECONOMY OF PHOENIX AND ARIZONA, 1ST QUARTER, 1957, 1ST QUARTER, 1958

Arizona—48th State on top in 1958—Comparison 1st quarters, 1957–58

Economic factors	Phoenix trading area			Arizona		
	1st quarter, 1957	1st quarter, 1958	Percent increase	1st quarter, 1957	1st quarter, 1958	Percent increase
Valley Bank index of total business (millions).....	(1)	(1)	-----	\$184.5	\$192.2	+4.1
Retail sales (millions).....	\$63.8	\$68.4	+7.2	\$116.5	\$122.1	+10.5
Telephones in service.....	158,591	179,039	+12.8	289,409	319,672	+10.4
Bank debits (millions).....	-\$525.3	-\$576.6	+9.7	\$337.5	\$911.1	+8.7
Motor vehicles (registered).....	119,472	138,713	+16.0	(2)	(2)	+10.0
Building permits.....	3,079	3,776	+22.6	(1)	(1)	-----
Licensed building contractors.....	(1)	(1)	-----	4,221	4,266	+20.3
Population.....	520,000	560,000	+7.6	1,150,000	1,170,000	+1.7
High schools.....	20,258	21,878	+8.0	41,641	44,972	+8.0
Grammar.....	76,101	82,189	+8.0	156,537	169,059	+8.0
State college and university (combined).....	(1)	(1)	-----	16,211	18,407	+13.5
Employment (nonagricultural) (thousands).....	132.8	137.8	+3.7	262.6	273.1	+3.9
Tourism (dollar volume, in millions).....	\$10.0	\$15.0	+50.0	(1)	(1)	-----

¹ Not available.

² Bank deposits.

³ Motor vehicle division estimates a 10 percent increase in registrations each year.

⁴ Additional.

⁵ Estimate.

⁶ 1956–57 fiscal.

⁷ 1957–58 fiscal.

Sources: Valley National Bank; Mountain States Telephone & Telegraph Co.; First National Bank of Arizona; division of motor vehicles; Arizona Board of Regents and Department of Public Instruction; Arizona State Employment Service; Phoenix Chamber of Commerce; Arizona Development Board; Arizona State College; Arizona State Register of Contractors.

SUMMARY INTERPRETATION OF VITAL ECONOMIC FACTORS REPORTED IN ABOVE TABLE—PHOENIX AND ARIZONA, FIRST QUARTER 1957 COMPARED WITH FIRST QUARTER 1958

Total business in Arizona increased by more than 4 percent, while the retail sales picture for the Phoenix trading area (Maricopa County) jumped 7.2 percent, with a 10.5 percent hike for the State. Other significant indices include a rise of 12 percent in Phoenix telephone installations and a 10 percent boost for the entire State. Phoenix bank debits were up 9.7 percent, while the State's bank deposits rose to 8.7 percent. Motor vehicle registrations boomed by 16 percent for Maricopa County; 10 percent for the State. Wholesale sales in the field of full-line appliances, for example, as reported by 11 Phoenix distributors indicated a definite increase over the first quarter of 1957.

Building permits in the Phoenix area enjoyed a 22.6 percent rise. The number of Arizona's licensed building contractors increased by 20.3 percent. The value of new building (Maricopa County) increased by 16.7 percent.

Population of the Phoenix trading region soared over 7 percent—1.7 percent for the entire State. Grammar and high school enrollments were up approximately 8 percent, consistent for the past 10 years, while Arizona's colleges and universities signed up a roster hike of 13.5 percent.

Employment: The Arizona State Employment Service and Arizona's Current Employment Developments, released by the unemployment compensation division, presents the following table:

Total employment

	1957		1958	
	Maricopa County	Arizona	Maricopa County	Arizona
January.....	177,800	356,700	192,800	384,300
February.....	176,800	352,700	183,500	365,900
March.....	179,200	356,100	183,300	367,600

On the gray side of the ledger, the State Employment Security Commission reported unemployment benefits to jobless workers in

Arizona increased from \$1,291,802 to \$2,215,943. However, the industrial committee of the Phoenix Chamber of Commerce, representing the bulk of major employers in the area, offers the following statement today: "After checking with Phoenix's major employers, it appears that manufacturing employment will, by the end of this year, exceed any highest preceding year."

The future of any region is often measurable by the number and type of inquiries received from outsiders. Arizona Development Board reports significantly that its 1958 inquiry workload has thus far skyrocketed to over 23,000 tourist and over 3,600 industrial inquiries—a five-time boost in the latter as compared with last year's first quarter.

The current tourist season has been the most spectacular in Arizona history. Dollar volume was \$15 million in place of the usual \$10 million in recent years. Tourist business in the Valley of the Sun this year is expected to top \$125 million, or about one-half of the State's total, reports the Phoenix chamber.

Number of visitors was up about 17 percent. Hotels up 8 percent; resorts plus 19 percent; motor hotels up 24 percent; restaurants up about 10 percent. Bus and rail travel up about 25 percent; airlines up 35 percent for this March over March last year.

Another economic index, of course, is newspaper circulation. The daily Republic and Gazette circulation averaged 179,113 for the first quarter of 1957, compared with 190,984 average for the first 3 months of 1958.

YOUNG FARMERS OF AMERICA

Mr. GOLDWATER. Mr. President, on April 16 it was my honor and pleasure to address a meeting of the National Junior Chamber of Commerce in Indianapolis, Ind., at which the four outstanding young farmers of America were properly recognized. This was one of the most inspiring and encouraging meetings I have attended since I have been a Member of the Senate, and I would be remiss in my responsibility to my

colleagues if I failed to bring out some of the salient points of that gathering.

From an inauspicious beginning over 10 years ago, the junior chamber of commerce has developed a national program which pinpoints public attention upon the importance of agriculture as a career, and upon young men who have proven farming to be a vital and rewarding experience. Ten thousand young farmers of this country were originally nominated by various chapters of the junior chamber of commerce, covering 47 States, Hawaii, and Alaska. From those 10,000 were chosen the outstanding young farmer in each State, and from this list of 49 were selected the 4 who received national recognition.

So that my colleagues might know the type of man that these four represent, I ask unanimous consent that a brief outline of the activities of Mr. Cyrille Oddous Faure, of California; Mr. Thomas J. LaChance, of Connecticut; Mr. Felix O. Bullard, of Florida; and Mr. William W. Erwin, of Indiana, be printed at this point in my remarks.

There being no objection, the outline was ordered to be printed in the RECORD, as follows:

CYRILLE ODDOUS FAURE, OF CALIFORNIA

Address, Porterville, Calif.; page, 35; married, yes; children, 3; years as farmer, 15; acres operated, 760.

Crop program: Principally dry-farmed grain, mainly wheat, with surplus acres planted to barley. The production of dry-farmed grain involves a program of sound soil management and conservation practices to maintain soil productivity.

Livestock: Major farming interest and major source of income is livestock. He has developed a registered Polled Hereford herd of about 150 head of females and 5 bulls. In addition, he runs about 100 head of grade Herefords during the grass season and he operates a cattle feed lot with a capacity of 1,400 head.

Outstanding farm-management practices: In his operation he follows closely the latest developments in feeds and antibiotics; he uses Stilbestrol, Sybovex, and Dynfac. He feeds not only his own cattle but the cattle of other producers on a commercial basis. Since acquiring his rangeland, the nominee has tripled the supply of water through drilling of wells and the installation of troughs and storage tanks. While in high school he purchased a registered Polled Hereford heifer; today every female in his registered Polled Hereford herd is a descendant of his first registered heifer. He has experimented with the use of cull melons for silage; he was the first rancher in this area to make potato silage from cull potatoes, an operation that required the designing and construction of a machine to crush potatoes as they are mixed with hay. He is also experimenting this year with broadcasting grass seed on foothill rangeland.

Leadership in farm and other organizations: As chairman of the board of the Porterville Memorial District, an elective office, he has been instrumental in planning and constructing a three-quarter-million-dollar community auditorium in Porterville; as a director of the Porterville Junior Livestock Show and Community Fair since inception, he has helped in making this event the largest of its kind in California. He is active in the Masonic Lodge, the Congregational Church, the American Legion, VFW, and many local organizations.

THOMAS J. LACHANCE OF CONNECTICUT

Address, Somersville, Conn.; age, 34; married, yes; children, 3; years as farmer, 13; acres operated, 470.

Public Law 85-386
85th Congress, H. J. Res. 588
April 24, 1958

JOINT RESOLUTION

Making advance procurement appropriations for the fiscal year 1958, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That for the advance procurement (including advances to supply funds therefor) of supplies, materials, and equipment, not to exceed 50 per centum of each of the amounts set forth in the schedules in the Budget for the fiscal year 1959 (House Document Numbered 266, Eighty-fifth Congress), under each appropriation or fund, for the objects "Supplies and materials" and "Equipment," is hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts and funds, for the several departments, agencies, corporations, and other organizational units in the executive branch of the Government (including the District of Columbia), for which appropriations were granted for the fiscal year 1958 and are proposed for the fiscal year 1959: *Provided*, That this paragraph shall not apply to military functions of the Department of Defense.

Advance pro-
curement ap-
propriations.

72 Stat. 98.

72 Stat. 99.

The appropriations and funds made available under this heading shall be immediately available and shall remain available until (a) the date on which the period of availability terminates for the applicable appropriation or fund provided in the pertinent appropriation Act for the fiscal year 1959, or (b) such earlier date as the pertinent appropriation Act may be passed by either House of Congress without any appropriation, or without provision in the pertinent appropriation or fund, for the objects set forth under the first paragraph of this heading.

Appropriations and funds made available and authority granted under this heading for advance procurement may be used for that purpose, during the fiscal year 1958, without the apportionment which would otherwise be required by subsections (c) and (d) of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), and the amounts made available under this heading shall be charged to the applicable appropriations or funds provided in appropriation Acts for the fiscal year 1959.

Approved April 24, 1958.

